



GLORY CSR Report 2017



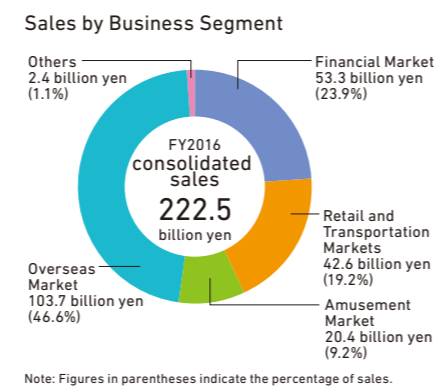
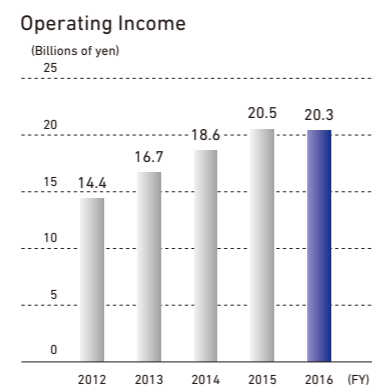
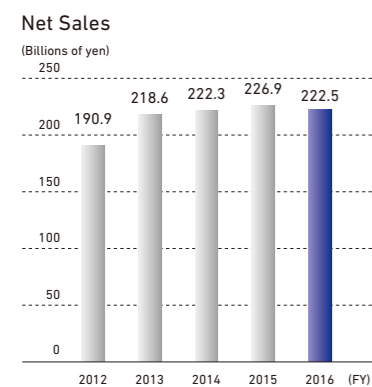
GLORY at a Glance

Corporate name : GLORY LTD.	Stock listings : Tokyo Stock Exchange (1st Section)
Founded : March 1918	Number of employees : 3,246 (Group: 9,296) <small>Note: As of March 31, 2017</small>
Incorporated : November 1944	Line of business : Development, manufacturing, sales, and maintenance of money handling machines, data processing equipment, peripheral devices, vending machines, automatic service equipment, etc.
Capital : ¥12,892,947,600	

Business Segments

	Main Customers	Main Products and Goods
Financial Market 	Financial institutions, OEM clients, and others in Japan	Open teller systems Coin and banknote recyclers for tellers Coin recycling modules for ATMs Multifunctional banknote changers Cash monitoring cabinets Security storage systems Key management systems Banknote recycling modules for horse race ticket vending machines
Retail and Transportation Markets 	Supermarkets, department stores, cash-in-transit companies, railroad companies, tobacco companies, hospitals, local governments, general companies, and others in Japan	Coin and banknote recyclers for cashiers Sales proceeds deposit machines Multifunctional banknote changers Cash recyclers for gas stations Coin-operated lockers Ticket vending machines Cigarette vending machines Medical payment kiosks RFID self-checkout systems for cafeterias Ballot sorters for handwritten ballots
Amusement Market 	Amusement halls (pachinko parlors) and others in Japan	Card systems for pachinko parlors Banknote conveyor systems Pachinko prize dispensing machines Pachinko ball counters for individual pachinko machines Membership management systems for pachinko parlors Pachinko ball/token 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 recyclers for cashiers Sales proceeds deposit machines Coin wrappers
Others	Other than those above	Other than those above

Financial Data (Consolidated)

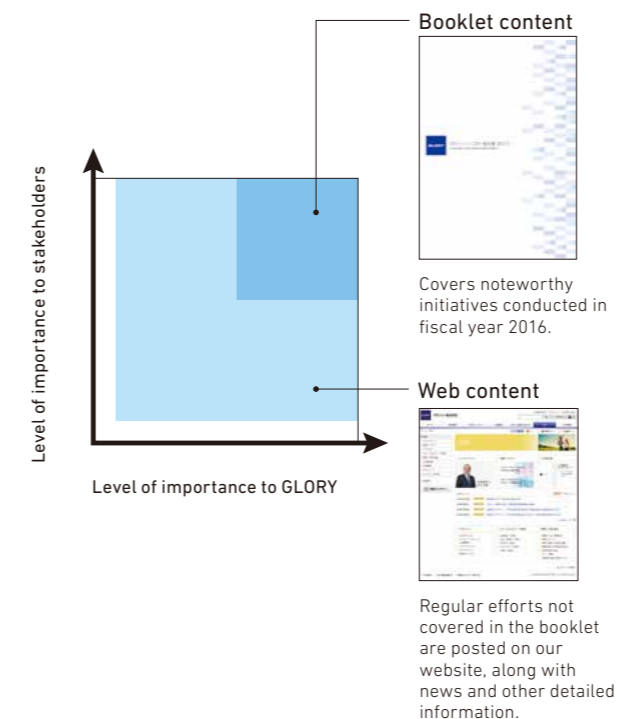


Editorial Policy

The *GLORY CSR Report 2017* aims to inform a wide range of stakeholders about the CSR initiatives that GLORY LTD. and GLORY Group companies conducted during fiscal year 2016.

This report contains information in line with the Standard Disclosures of the Sustainability Reporting Guidelines, Version 4 set out by the Global Reporting Initiative (GRI). GLORY is also in the process of identifying material issues in line with the relevant process defined by the GRI.

Special Report outlines GLORY's facial recognition technology, which is expected to find application in a wide range of areas. The *GLORY CSR Report 2017* also covers major efforts in fiscal year 2016 related to environmental protection, social action, and corporate governance. Further details can be found on the GLORY website.



Report Subjects

This report generally describes the efforts of GLORY LTD. It will be explicitly stated if a particular item being reported concerns a specific GLORY Group company or another company. Moreover, the report on environmental activities covers the ISO 14001-certified offices of GLORY LTD. and GLORY Group companies.

Reporting Period

Fiscal year 2016 (April 1, 2016 to March 31, 2017)
(May include reporting of items occurring in or after April 2017.)

Publication Date

July 2017

Referenced Guidelines

Sustainability Reporting Guidelines, Version 4, Global Reporting Initiative (GRI)
2012 Environmental Reporting Guidelines, Ministry of the Environment, Japan

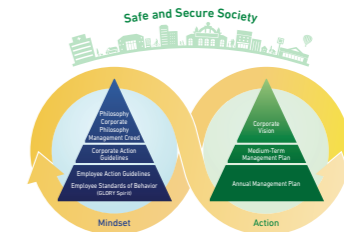
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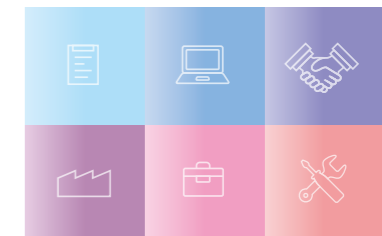


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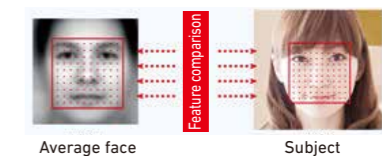
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Hirokazu Onoe.

Hirokazu Onoe
President, GLORY LTD.

into our corporate philosophy: "We will contribute to the development of a more secure society through a striving spirit and cooperative efforts."

In addition to our core proprietary technologies in recognition/identification and mechatronics, one of our greatest strengths is the ability to respond promptly to customer needs. We do so through a consistent group structure that integrates every stage of the product process, including planning, development, procurement, manufacturing, sales, and maintenance. We also believe that our overseas M&A activities have enabled us to enhance our presence in the global market by strengthening our sales and maintenance capabilities.

Strategy for Meeting Diversified Needs and Creating New Value

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. We have set a long-term basic policy of "Create new value through 'superb manufacturing technique' and pursue dreams for the future." Under this policy, we have focused on expanding business in areas where we can make the most of our core technologies. One such area is biometric authentication incorporating facial recognition. GLORY embarked on the development of facial recognition technology in 2000. We utilized the recognition/identification technologies that we had cultivated while developing money handling machines and applied them to R&D in facial recognition. In 2003, we successfully brought the new technology to market. Today, GLORY's facial recognition boasts some of the highest levels of recognition technology and accuracy in the industry. As featured on pages 9 to 11 of this report, GLORY's facial recognition has already been successfully applied in a wide range of fields, including hospitals and hotels. We expect to see it incorporated into many more areas in the near future, as we move towards a safer and more convenient society.

Meanwhile, a shortage of labor has become a pressing issue in Japan. One way to solve this problem is to use robots. In April 2017, GLORY launched a system integration business that makes use of humanoid robots. The aim is to have customers apply to their production sites the production technology know-how that we have cultivated over the years. By introducing robots, customers can reduce the burden on workers and achieve highly efficient manufacturing. GLORY can provide the whole package ranging from setting up an automated robotic production line to developing the

peripheral equipment and operational know-how. Our wish is to help create environments in which humans and robots can work together in harmony.

Achieving a Sustainable Society by Practicing Business Founded on Our Corporate Philosophy

In 2014, GLORY signed the United Nations Global Compact. We believe the 10 principles covering human rights, labor, the environment, and anti-corruption are based on the same values as those underlying our Corporate Action Guidelines. That is why we make every effort to comply with these 10 principles. Our *Guidelines of GLORY* handbook contains our corporate philosophy, management creed, Corporate Action Guidelines, and other information. Produced in eight different languages, this handbook has been distributed to all our worldwide employees.

In September 2015, the United Nations adopted the Sustainable Development Goals (SDGs). The SDGs identify the private sector as one of the parties responsible for tackling issues such as poverty, employment, and environmental protection. Because GLORY does business on a global scale, we are highly aware of the importance of human rights and the environment in our business activities. We comply with all laws, regulations, and international norms, while ensuring that activities across our entire value chain are thoroughly transparent and ethical.

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 2017



Creating New Value through Manufacturing Technology while Helping to Realize a Sustainable Society

A Consistent Group Structure Allied to Unique Core Technologies That Are Embedded in Our DNA

With the UK voting to split from the EU, Donald Trump's rise to power in the US, and frequent terrorist incidents, world affairs are growing more volatile. The global economy is unpredictable, its future uncertain. Despite all this, GLORY continues to respond to current trends—as we have since our founding in 1918—while taking on the challenge of creating technical innovations and making products that society needs. GLORY is proud of its 100-year history. Our success today can be traced back to 1950, when we delivered a coin counter to the Ministry of Finance's Mint Bureau (now the

Japan Mint). This was the first such product made in Japan, and it was our first step as a pioneer in the money handling machine business. GLORY has since released a string of first-in-Japan products, such as coin wrappers, coin sorters, cigarette vending machines, and coin-operated lockers with extendable time limits.

Over the years, GLORY has achieved many innovations in the cash-related business, and it has expanded the market for money handling products. Underlying all of this is our unceasing effort to benefit people by creating products that have never been seen before. It's something which is in our company DNA and which has been passed down through the generations since our founding. This spirit is incorporated

Corporate Philosophy and Management Creed

GLORY's corporate philosophy, which represents our corporate goal and raison d'être, is:

"We will contribute to the development of a more secure society through a striving spirit and cooperative efforts." These words express our determination to achieve growth as a sustainable enterprise by contributing to a prosperous society through our uncompromising approach to product development. This philosophy guides our efforts to continuously improve our corporate value through sound and efficient business management, so that we can exist in harmony with society and earn the trust and support of all stakeholders.

Corporate Philosophy

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

Management Creed

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



2017 Medium-Term Management Plan

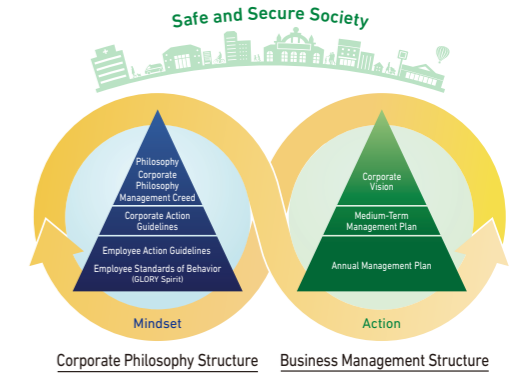
Basic Policy

Realize business growth through "customer-oriented superb manufacturing" and enhance profitability to achieve the Long-Range Vision 2018

	Business Strategy	Constitutional Strategy	Corporate Management Strategy
Basic Strategy	Enhance profitability by expanding business size/area	Provide timely products and services meeting market needs	Reinforce group management infrastructure
Focus	<ul style="list-style-type: none"> • Domestic business • Overseas business 	<ul style="list-style-type: none"> • Product development • Production/Procurement • Quality assurance 	<ul style="list-style-type: none"> • Group governance • Human resources • Capital/Financing • Information systems

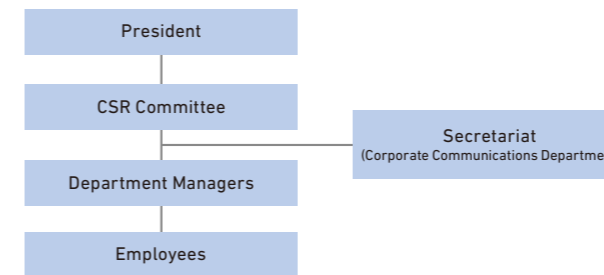
GLORY's CSR Philosophy

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.



CSR Promotion Framework

CSR efforts in the GLORY Group are led by the CSR Committee, which is chaired by the President and made up of management-level employees. The committee convenes twice a year, at which time it deliberates on the basic direction and plans for CSR management and establishes policies for major annual CSR initiatives.



CSR Education

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 also promotes understanding of CSR through an e-learning program for employees and the publication of CSR-related information on its intranet.



Progress on Identifying Material Issues

In order to continue being a company that is trusted by its stakeholders and that contributes to a sustainable society, GLORY is in the process of identifying material issues. The company is doing this by identifying and understanding key CSR issues and considering the effect these issues have on society and their importance to GLORY.

In fiscal year 2016, while considering the company's corporate philosophy, management creed, and the Corporate Action Guidelines in reference to international frameworks such as the Global Reporting Initiative (GRI) guidelines and ISO 26000, GLORY made a list of the issues based on opinions from the company's various

departments. In fiscal year 2017, GLORY is holding dialogues with numerous third-party experts to confirm the validity of these issues, and it is also identifying the most relevant ones through deliberation by the CSR Committee. The material issues identified are being linked to the company's Medium-Term Management Plan and are being properly managed through the PDCA cycle.



Material issues were listed based on opinions from various departments in GLORY

Voice



Seichiro Shimamoto
Professor, Faculty of Sociology,
Kyoto Bunkyo University

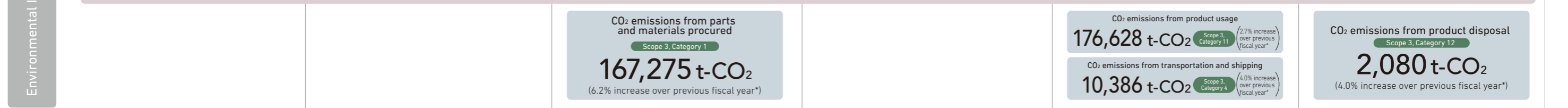
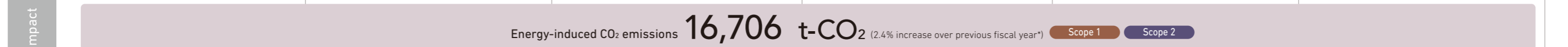
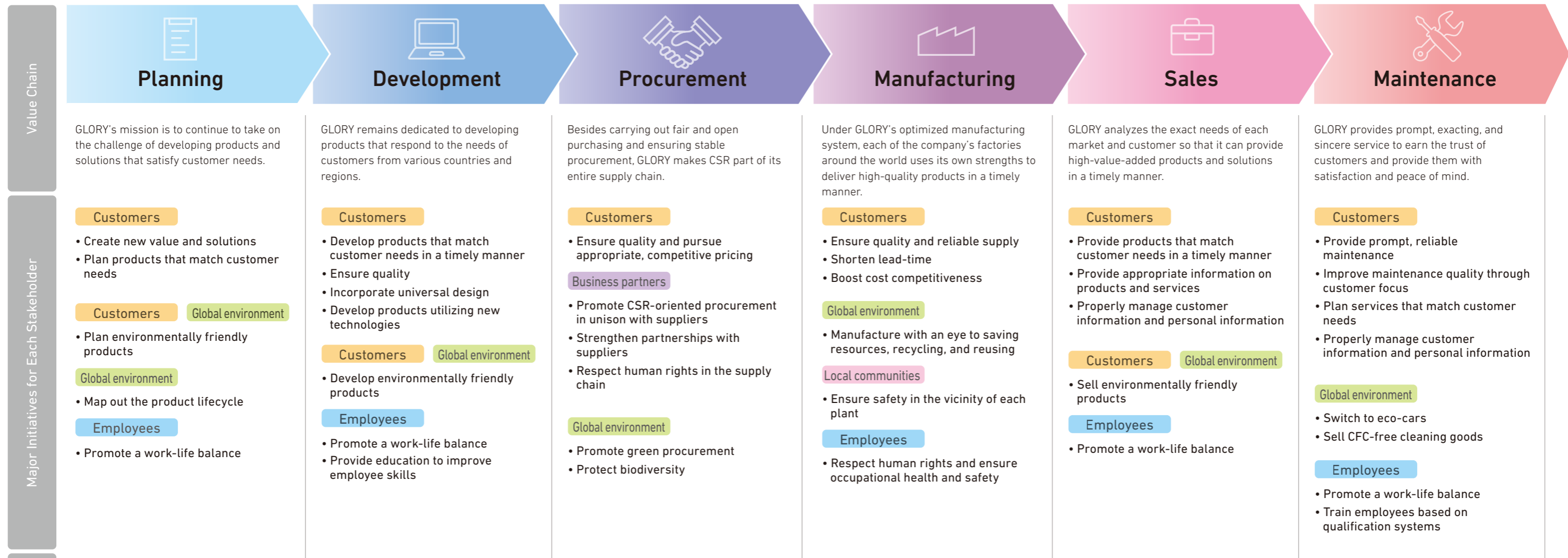
GLORY's material issues have been identified according to the value chain, and these issues are in tune with the work the company is doing. They cover the majority of the sustainability-centered fields. GLORY has prioritized its material issues using a matrix comprising two axes: company business and stakeholders. This method of prioritization follows GRI guidelines. In line with its philosophy of promoting security in society,

GLORY has clarified the social agendas that it will address proactively, and it has opened dialogue with its stakeholders in earnest. We believe this will have a positive effect on the company's supply chains.

I hope that GLORY will continue to respond to the needs of society and conduct tireless PDCA to make further advancement in its CSR.

Major CSR Initiatives in the Value Chain

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



<p>Constantly Pursuing New Value</p> <p>Tomoyuki Dewa Product Planning Department, Domestic Business Headquarters</p>  <p>I work day in and day out planning new products and replacement products to respond to the increasingly diverse needs of our customers. We will continue to come up with products that create new value by using advanced technologies such as artificial intelligence (AI) and Internet of things (IoT).</p>	<p>Developing Products That Exceed Customer Expectations</p> <p>Shigeko Fumino Design Department 2, System Development Division</p>  <p>It's my job to contribute to the timely development of products that customers require. I also cooperate with our planning, sales, and maintenance divisions so that we can determine customers' latent needs and provide them with products that exceed their expectations.</p>	<p>Building a Relationship of Trust</p> <p>Takashi Komiyaji Purchasing Procurement Department, Purchasing Division, Production Headquarters</p>  <p>I work in the purchasing of parts such as steel plates, resin, and rubber from our domestic suppliers. I strive to maintain a relationship of trust with suppliers and consider various risk factors to ensure that we have a stable supply of the parts we need.</p>	<p>Teaching Workers the Fundamentals of Quality</p> <p>Kiyotaka Sasou Production Department 1, Himeji Factory, Production Headquarters</p>  <p>It goes without saying that first and foremost in the assembly process is ensuring that every single screw is tightened and that there are zero defects. I strive to train my subordinates and carry out constant improvements so that all workers have complete confidence in GLORY quality and can enjoy the rewards of their job.</p>	<p>Promoting Optimal Solutions for Financial Institutions</p> <p>Chiaki Seya Solution Business Promotion Department, Finance Market Sales Division, Domestic Business Headquarters</p>  <p>I promote new solutions that utilize digital form-entry machines to financial institutions throughout Japan. The aim is to minimize the workload for both customers and financial institutions, while facilitating services that provide greater convenience to customers.</p>	<p>Providing Customer Solutions Through New Services</p> <p>Asuka Tachi Service Planning Department, Customer Service Division, Service Headquarters</p>  <p>We provide monitoring services for open teller systems to ensure that GLORY products have zero downtime. We will continue to plan services that will allow customers to use GLORY products stress-free and that will boost their workplace efficiency.</p>
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*CO₂ emission increases over the previous fiscal year are due to increases in production volume.

GLORY's Facial Recognition Technology Contributing to a Secure Society

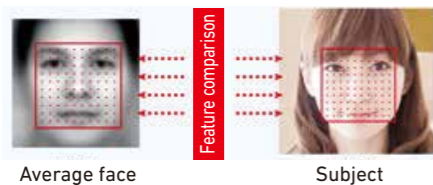


Facial recognition technology verifies people's identities from videos or photos. This convenient, non-contact verification technology is enjoying widespread use in the public and private sectors in Japan.

GLORY's facial recognition technology, which makes use of the company's expertise in areas such as coin and banknote identification and handwriting recognition, offers the industry's highest level of verification accuracy. By verifying a person's face through the scanning of all features across the entire face with equal importance, GLORY's facial recognition technology provides high-performance, consistent reading of an identity with minimal interference from factors such as sunglasses and gauze masks, or low-quality images.

Highly Accurate Recognition

GLORY developed a recognition engine that uses judgment logic to identify what makes each person unique. Based on an "average face," recognition is carried out by using the features of 100 points on the face.



Recognition Even When Face Tilted

The facial recognition engine automatically makes an estimate of the subject's face at any given angle. Based on this, the engine then adjusts how each facial feature will look from various angles. This makes it possible for the engine to recognize a person even if he or she is facing a different direction than in the photograph originally recorded into the system.



Greater Recognition Accuracy Means Wider Application

In February 2017, GLORY succeeded in developing facial recognition technology with dramatic advances in recognition accuracy. A major advance was made in the recognition accuracy of the face at differing angles. This opened up new areas of use for facial recognition systems in situations where it had previously not been possible (due to, for example, the height of a security camera or the angle at which it was able to record passing subjects).

Ever since the company's first practical application of facial recognition systems in 2003, GLORY products have been

used in a growing number of facilities, be it large commercial complexes, apartment buildings, or hospitals. GLORY will strive to provide new solutions using facial recognition technology to its existing customers in industries such as finance and distribution, and it will establish business models that create new value for customers.

Through the growing potential of its facial recognition technology, GLORY will contribute to the realization of a society where people can enjoy life to its fullest in safety and with peace of mind.

The Many Faces of GLORY's Facial Recognition Technology

Case 1 Comfort and Convenience Through Keyless Living

Facial recognition for keyless entrance to rooms is one way that hotels could offer their guests a comfortable, stress-free stay. Because doors unlock simply by facial recognition, guests can enter and leave without the bother of carrying a key card around with them or the worry of losing it somewhere.



Case 2 Reducing Disruptions to Business

Bookstores and other retail establishments want to prevent loss and damage to their businesses such as shoplifting and vandalism. With a facial recognition system, shops can pre-register suspicious persons and then be alerted when they enter the shop again.



Case 3 Providing Information Based on User Attributes

By linking facial recognition technology with digital signage, it's possible to surmise a user's age and gender and then automatically display information suitable to him or her. Offering effective information geared to individual users means greater advertising efficiency.



Case 4 Greater Security Through Authorized Admission

Installing facial recognition systems in places requiring security measures, such as apartment buildings or office buildings, can automatically open doors for authorized personnel while keeping out all others. Because no IC cards or PIN codes are needed, users enjoy convenience and greater security.



Case 5 Customized Services

GLORY's facial recognition technology is used in the Biz Pack service of Pepper for Biz, a model of the Pepper humanoid robot geared to commercial customers. Pepper uses facial recognition to estimate things like the gender and age of customers who enter a store. This allows stores to offer services geared to each customer's particular needs.



Case 6 Keeping Children Safe and Easing the Burden on Daycare Staff

Facial recognition technology holds promise for daycare centers. Cameras installed in the parking lot and entrance area identify approaching visitors and provide this information to staff inside the daycare via screens and voice announcements. At the same time, authorized daycare center users are automatically let inside. This means daycare staff can handle visitors while continuing to keep an eye on the children.





Prevention System for Non-Authorized Patients Leaving Hospitals

With the elderly making up an increasing number of in-patients at healthcare institutions in Japan, there are more and more cases of patients with dementia wandering off from the facilities and getting into accidents. By installing GLORY's facial-recognition-driven Prevention System, hospitals can prevent such patients from leaving the premises and keep them safe.

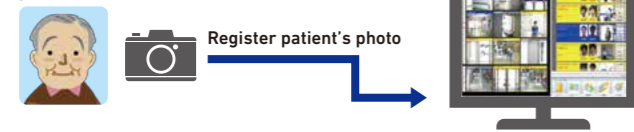
GLORY's Prevention System

System uses facial recognition to prevent patients from leaving the hospital

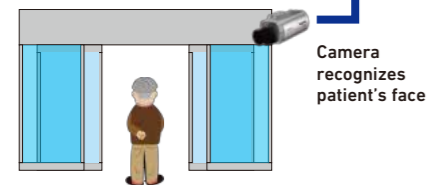
- (1) The photos of in-patients who require watching are recorded in the system.
- (2) The system detects whenever these patients attempt to leave the hospital.
- (3) Photographs and patient information are automatically sent to the PC or tablet of hospital staff.

(1) Patient is registered

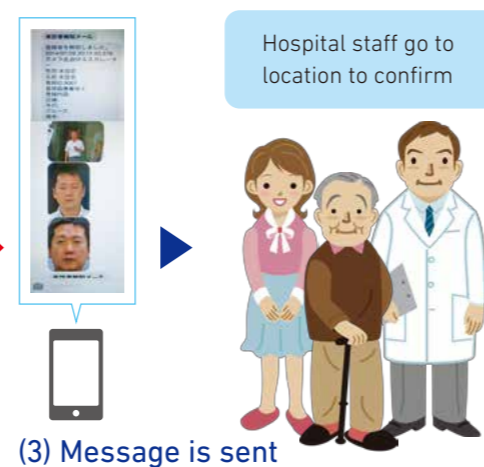
The patient's photo is registered in the system after the patient and his/her family give the hospital permission to do so.



(2) Patient is detected



Alert activated



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.

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

Risk Management

GLORY has a Risk Management Committee, which is chaired by the President and which has the purpose of maintaining and strengthening risk management for the entire GLORY Group. The committee regularly conducts risk assessments and determines the divisions and individuals responsible for each risk item. It works with these divisions and individuals to implement precautionary measures against risks during normal times and to secure and improve a system that can respond promptly in times of crisis. In fiscal year 2016, GLORY enhanced risk management at group companies while also strengthening emergency response capabilities and information security systems.

Compliance

GLORY has a Compliance Committee as one way to maintain and improve its compliance framework. This committee—which is chaired by the President and which includes two outside experts (attorneys at law)—deliberates on important compliance-related issues concerning the GLORY Group. GLORY also has in place four compliance helplines (including one outside helpline) in Japan. These helplines enable GLORY to detect and correct problems at an early stage, while protecting those seeking consultations. In addition, GLORY provides education to employees to thoroughly familiarize them with compliance. In fiscal year 2016, GLORY also held e-learning and group training sessions for group companies to ensure that transactions are always conducted fairly.

Customer Case Study: Hakui General Hospital

Background

The hospital had cases in which in-patients suffering from problems such as dementia left the premises without permission, leading to injuries to the patient and more hours needed by hospital staff to bring them to safety. A way to ensure patient safety was urgently needed.

Solution

A total of 12 cameras, which operate around the clock, were installed at four locations, including at the main entrance and the after-hours entrance. Thanks to the installation of the Prevention System, hospital staff are alerted and can take immediate action when a patient attempts to leave the premises without permission.

Main Benefits

Because patients are prevented from leaving without permission, both patients and their families feel more at ease and the hospital enjoys greater customer satisfaction. In addition, hospital staff require less time to confirm the movement of or search for patients of interest, which eases the burden on staff and improves hospital work efficiency.

Voice



Yoichi Yamaguchi

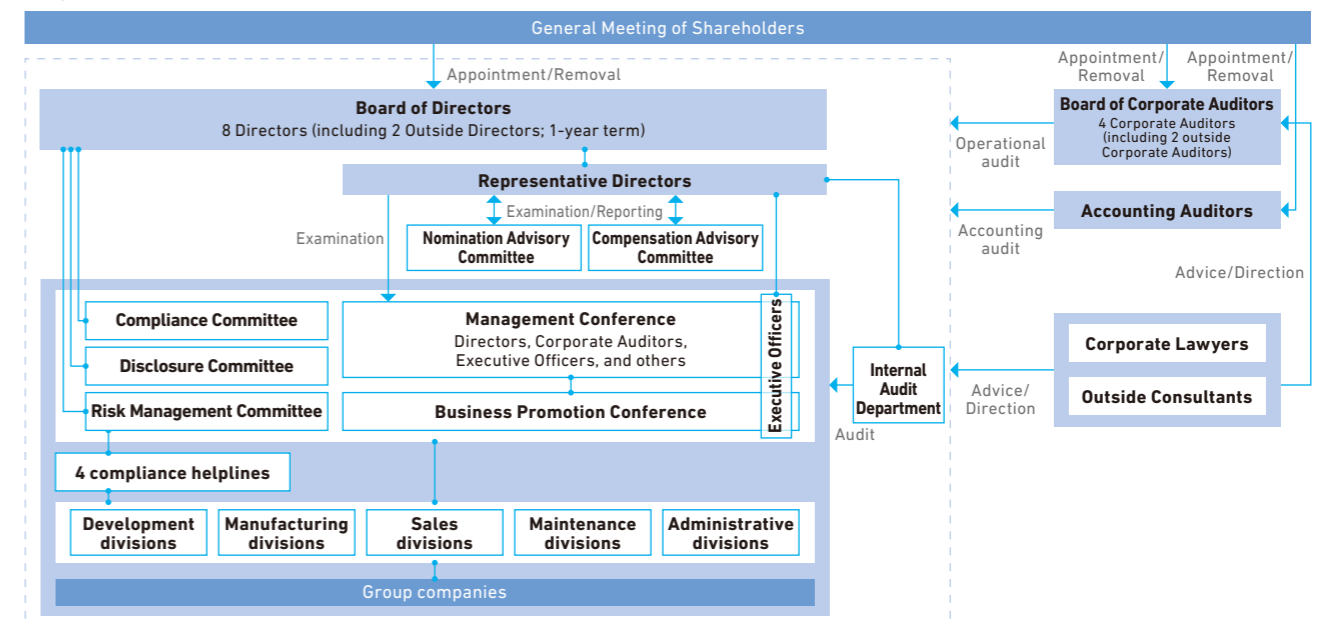
Manager,
Healthcare Safety
Management Department,
Hakui General Hospital

Our hospital has many elderly in-patients living in the region, and we have for some time now had a project team that oversees a range of care services for them. Part of this care is the installation of the Prevention System using facial recognition technology. We had previously used conventional security cameras, but if the hospital staff watching the camera monitors didn't personally know the patients, they couldn't respond to certain situations as required. But with facial recognition, we don't need to be constantly watching the camera monitors. Since alerts are sent automatically, any of our staff—even

those who don't know the patients—can get to the scene promptly and take appropriate action.

In the two years since we began using it, no patients registered in the system have gone missing. Our aim is to keep the number of accidents due to missing in-patients at zero so that they can enjoy a safe, peaceful hospital stay. I believe that if this Prevention System is used at healthcare institutions all over the country, elderly in-patients and their families, as well as local residents, can enjoy peace of mind and put their trust in hospitals.

Corporate Governance Framework (As of June 23, 2017)





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 1994. Based on three priority guidelines, the company strives for uniform quality. 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.

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 the advanced market needs, develop products that are attractive to customers.
- 2 Establish the quality of products at as an early stage as possible.
- 3 Place importance on customers' first impression of quality and on after-sales services.

Developing Products That Appeal to Customers

Product Development That Anticipates Market Needs

GLORY develops products for various industries, such as finance, retail, transportation, and entertainment, as well as for overseas markets. Its product development anticipates the varying needs of customers and their markets. Each division—from planning to maintenance—works closely together to bring forth products that will deliver the utmost customer satisfaction. GLORY pursues higher added value in its products by trying to deliver operational efficiency and accuracy as well as usability and environmental friendliness.

Timely Delivery of High-Quality Products

GLORY follows two key points in order to deliver high-quality products to customers in a timely manner.

The first point is the development of precursor technology. GLORY's smooth product development process is based on first identifying the kind of technology that a given market currently lacks and, keeping that in mind during the development process, bringing that new technology to fruition. The second point is the creation of a technology platform (standardization). To reduce technological redundancy and increase efficiency in development, GLORY creates a platform of technologies for which quality has been assured. By incorporating this platform into products that share common functions, GLORY reduces costs and shortens development times. The result is speedy delivery of products with stable, high quality.



Product development

Manufacturing from the User's Point of View

When creating a product, GLORY focuses not only on functionality, but also on customer usability. As part of this process, the company conducts user tests from the earliest stages of product development to check the positioning and visibility of a product's functions. GLORY tries to identify issues at an early stage and initiate speedy improvements so that it can develop more user-friendly products.



Testing for usability

Fostering Young Designers Who Can Maintain Quality

Right from the start, young designers at GLORY are trained to improve their skills at developing high-quality products.

During their first few years in the company, designers attend the delivery and installation of GLORY products. They see the actual products in operation and listen to customer feedback on site. Staff members from GLORY's maintenance division lead training sessions for third-year designers. Participants disassemble and reassemble products and test their operation. This training allows employees to identify factors that determine a product's user friendliness, while also learning about efficient product maintenance.



Training young designers

Providing the Best Solutions

GLORY aims to provide satisfying products and solutions for its customers. The company does this by precisely identifying customer needs—which change with the times and social environment—and by being thoroughly familiar with customers' issues and operational procedures.

In recent years, the distribution industry in Japan has been suffering from a chronic lack of labor and long working hours. Businesses need to pursue greater efficiency and labor savings, so that they are able to operate with limited manpower.

GLORY provides a wide range of products that meet the needs of specific situations. These include a self-service coin and banknote recycler and a ticket vending machine, which work together to allow customers to process their own purchases. In addition, GLORY provides optimal solutions that include support for store management in the form of sales data collection and analysis. This way, GLORY is working to find solutions for its clients and for society at large.

Customer Case Study: Origin Toshu Co., Ltd.

Origin Toshu opened "Origin," a store with a new business concept that combines in-store dining and takeouts. As well as selling the company's famed ready-to-eat food items and *bento* packed meals for takeout, it also offers an in-store eating area. GLORY responded to Origin Toshu's need for labor savings and enhanced hygiene and made suggestions to facilitate operations.

Main requests from Origin Toshu

- To efficiently run the store with limited manpower.
- To provide a hygienic service that does not involve the handling of cash.

Ready-to-eat food items for takeout, including bento packed meals

Self-service coin and banknote recycler



Self-service coin and banknote recycler

- **Minimizing wait time at checkout counter**
While staff register or bag products, customers can make the payment themselves.
- **Better hygiene**
Because paying for the items can be done without the staff handling cash, food products can be handled in a sanitary manner.

In-store eating area

Touchscreen ticket vending machine



Touchscreen ticket vending machine

- **Less burden on staff**
Interacting with the staff is not required for ordering and payment. Therefore, staff can focus on other aspects of customer service.
- **Speedy product output**
Orders are sent to the kitchen as soon as they are made, eliminating mistakes with orders and reducing product output time.

Voice



Shingo Tsuruoka
Manager,
Task Solution 1 Department,
Origin Toshu Co., Ltd.

The biggest change I see is that there's no congestion anymore at the checkout. Installing the self-service coin and banknote recycler and the ticket vending machine has made the ordering and payment processes smoother. Even during peak times, I feel that customers can shop comfortably and enjoy their food without waiting too long. Because we don't need anyone at the checkout, our staff can focus more on the customers and provide better table service. And there's less burden on staff, because they no longer need to handle the customers' money. In the past, our staff had

to use hand sanitizer every time they touched cash. There's no need for that anymore, so our operations can run more efficiently and cleanly.

GLORY products are so easy to use that customers can operate them without any hassle at all. We look forward to receiving further improvements and support from GLORY—for example, they could provide compatibility with Waon and other electronic money options or add an interface that foreign visitors can understand easily.



GLORY respects every employee as an individual and strives to create an enriching and pleasant work environment.

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 ensuring gender equality and delivering equal opportunities for female employees. Initiatives include the GLORY Women's College, where women are trained to become candidates for managerial positions. So far, 53 women have graduated from the college.

In fiscal year 2016, GLORY formulated an action plan based on Japan's Act on the Promotion of Women's Participation and Advancement in the Workplace. The company has since put the plan into action.



A class in the GLORY Women's College

Action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace

- 1 From fiscal year 2016, have 20% of new graduate hires in the next three years be female
- 2 Over the next five years, double the number of female managers (i.e., those at the rank of section manager or higher)

Employing People with Disabilities

In 1999, GLORY Friendly Co., Ltd. was established to give people with disabilities an opportunity to make a living and contribute to society. Under the slogan "Foster a creative working environment by valuing communication with one another and fully demonstrating our skills," employees conduct duties such as company janitorial work and landscaping, in-house documentation and mail delivery, and waste disposal. As of the end of fiscal year 2016, employees with disabilities accounted for 2.23% of all GLORY Group employees.



GLORY Friendly employees clean up an open area

Work-Life Balance

GLORY has in place numerous initiatives aimed at promoting a work-life balance. These initiatives enable employees to match their job and work schedule to their lifestyle while maximizing their abilities and career potential.

Work-Life Balance Support Systems

Employees can take advantage of systems that allow them to place equal importance on raising children and doing their jobs.

In December 2016, GLORY opened an in-house daycare center called "G Kids Home" for children of full-time GLORY employees. The daycare center caters to children aged from 57 days up to the age at which they enter elementary school. Knowing that their children are taken care of on company premises gives parents peace of mind. GLORY is creating an environment that enables



G Kids Home



Childcare at G Kids Home

employees to build their careers while raising a family.

GLORY also helps employees to balance work time with time spent caring for sick or elderly family members. In fiscal year 2016, GLORY extended the period for nursing care leave from 180 days to 365 days per family member. Other improvements to the nursing care leave system include allowing leave in separate batches and extending the period during which employees may reduce their daily working hours.

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 an effort to impress upon employees the importance of working efficiently so as to avoid overtime, GLORY has instituted "no-overtime days" and "no-overtime weeks." And to encourage employees to go home on time, the company has also put a limit on the number of overtime hours they can work each day.

Fostering Human Resources

Fostering Globally Minded Human Resources

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 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 GLORY Executive Development Program (GEDP) and Manager Training for Production Headquarters' Overseas Group Companies.

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

GLORY Executive Development Program (GEDP)

Management-level employees from the GLORY Group are selected to take part in GEDP, a program aimed at fostering individuals who can be active on the global stage. Four intensive training sessions held over an eight-month period give participants the skills and knowledge needed to take on executive positions. The program also provides the opportunity for mutual understanding through exchanges and dialogue among participants, which further facilitates global networking. GEDP was held for the first time in fiscal year 2016 and involved 13 participants from Japan and six other countries.



A GEDP session

Manager Training for Production Headquarters' Overseas Group Companies

As part of the company's efforts to go global, GLORY's Production Headquarters held training for managers at two subsidiaries: GLORY Denshi Kogyo (Suzhou) Ltd. and GLORY (PHILIPPINES), INC. The training focused on advancing the self-sustaining capabilities of subsidiaries. Participants at the session studied management, learned Japanese technology and know-how, and took part in a program aimed at reinforcing risk management at the production site. They also toured GLORY headquarters and group companies in



An overseas group company manager training session

Japan to deepen their understanding of Japanese production systems.

New Career-Building Initiatives

GLORY helps employees achieve their personal career plans by providing systems and measures that support the development of their capabilities and that further their careers.

In-House Job Posting System

Through the in-house job posting system, employees get the chance to take the reins of their own career. A department seeking new personnel solicits new members, and interested employees are free to apply. This system enables employees to build their own career path, while at the same time invigorating the company organization and boosting employee motivation.

Career Consultation

GLORY set up a consultation service where employees can get advice on their career plans and skills development. Employees can consult via e-mail or phone, or they can meet with a counselor. The service aims to provide career support while taking into account each employee's unique individual perspective.

Respecting Human Rights

All employees must abide by GLORY's Corporate Action Guidelines. These stipulate rules on respect for individuals, talent development, and workplace safety. They also clearly call for respect for other employees' diversity, personalities, individual differences, and—above all—human rights. To ensure that these efforts extend beyond the GLORY Group and throughout the entire supply chain, the company has produced the GLORY CSR Procurement Guidebook (for suppliers in Japan) and the GLORY Supplier Code of Conduct (for overseas suppliers). These documents outline rules on respect for human rights that all suppliers are urged to follow.

The 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 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.

Contributing to Society Through Business Activities

Foreign Currency Coins for Product Testing Donated to UNICEF

The GLORY Group provides products to customers in over 100 countries around the world. Before products are shipped, they must be tested using coins from the country of their destination. Once every few years, these testing coins are replaced with new ones, and the old coins are donated to the Japan Committee for UNICEF. This contributes to the support of activities that improve the lives of children in developing countries.



Testing machines using foreign currency

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 95,400 people have taken part in these activities since the foundation was launched.

The foundation also provides assistance to organizations that work towards the sound development of elementary school students through activities in sports, science, and culture.

Hands-on Science Classes

In hands-on science classes held during the summer holidays, elementary school students build their own science projects, experiencing firsthand the wonders of science and in the process cultivating their creativity and unique powers of imagination. GLORY employees take part by helping the students with their projects.

In fiscal year 2016 science classes, 200 students from grades three to six took on the challenge of building their own hovercrafts.



Students making hovercrafts



A finished hovercraft

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 2016, 80 children and parents took part in the event, enjoying a thrilling boat cruise of the Naruto whirlpools and trying dragline fishing, followed by a barbecue. 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.



Children help pull in a fishing net

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 2016, 3,200 elementary school students and their parents attended performances of the musical, *The Prince and the Pauper*, presented by the Shiki Theater Company.



Children enjoying the musical

Kendo Tournament for Elementary School Children

Every year in October, elementary school students selected from member organizations of the Himeji Kendo Federation take part in a tournament. The aim is to teach the children the importance of manners through this traditional martial art and contribute to helping children grow soundly in mind and body.

In the fiscal year 2016 tournament, 134 children from 17 organizations competed to decide the best young kendo practitioners.



Competitors in the kendo tournament

Other Contributions to Society

Charity via GLORY TS Cup in the US

As part of the GLORY TS Cup (a technical skills competition for GLORY Group company field maintenance technicians) in May 2016, a charity game was held in which participants predicted the winning region. The entry fees from this game were donated along with donations from Glory Global Solutions Inc. to a Canadian natural disaster relief organization and American regional charity groups.



A participant with a collection of voting stickers

GLORY Joins CEZIA Fun Run in the Philippines

Around 100 employees of GLORY (PHILIPPINES), INC. took part in the CEZIA Fun Run in the Philippines in November 2016. Held with the aim of contributing to healthy lifestyles and to the alleviation of climate change, the event featured 3 km and 6 km fun runs and brought together about 3,500 employees from companies in the Cavite Economic Zone. Using donations from participants, sponsorship fees from corporations, and money from the sale of t-shirts, a donation was made to a project to protect the wilderness inside the economic zone.



CEZIA Fun Run participants from GLORY (PHILIPPINES), INC.

GLORY Joins B2Run in France

In September 2016, 16 employees from Glory Global Solutions (France) S.A.S. took part in the B2Run charity race. The event is run by UNICEF France to support activities that protect the life, health, and rights of children around the world.

Around 3,000 runners from more than 80 companies participated in this event.



B2Run participants from Glory Global Solutions (France) S.A.S.

Making Building Blocks from Sustainable Wood

With the goal of protecting the environment and contributing to children's education, GLORY creates

children's building blocks from sustainable wood (wood from forest thinning) with the support of the Lifestyle Research Institute of Forests NPO.

For fiscal year 2016, the event was held in June at the Shinagawa Business Place and was attended by 80 employees. After cutting the pieces from the thinned wood, participants carefully sanded and polished each building block. A total of 400 blocks were donated to a daycare center near the Shinagawa office.



Children play with the building blocks donated by GLORY

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. Under this program, the GLORY cafeteria offers 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).

In fiscal year 2016, 17,042 school lunches were provided as a result of GLORY's TFT program, bringing the total since 2011 to 74,608 school lunches. In addition, GLORY headquarters installed more drink vending machines whose proceeds are used for the TFT program.



The TFT menu changes daily

Cosponsoring the World Heritage Himeji Castle Marathon 2017

GLORY was a cosponsor of the World Heritage Himeji Castle Marathon 2017 held in February. Fifty GLORY employees volunteered on race day to assist approximately 7,000 participants running the full marathon.

Several GLORY employees also took part in the race itself, responding to the rousing cheers from roadside spectators with a spirited run to the finish line.



GLORY employee volunteers cheering on the runners



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.



Developing Environmentally Friendly Products

The GLORY Group develops environmentally friendly products that minimize environmental impact throughout the product lifecycle—from material procurement and customer use of the product through to final disposal.

GLORY certifies products as G-Eco products if they satisfy certain in-house standards for environmental friendliness—for example, if they exhibit electric power efficiency at least 15% better than existing products and if they conform to regulations on chemicals contained in products. Between fiscal years 2009 and 2016, GLORY developed 106 G-Eco products. The G-Eco product logo is used on product brochures and the like to help customers understand the environmental performance of GLORY products.



RBG-200 banknote recycler for tellers



Reducing Environmental Impact from Business Activities

Eliminating Paper Use

GLORY's Himeji Factory is working to reduce the use of paper by using tablets and by digitizing documents such as check sheets and work standards documentation.

The Himeji Factory used to go through 1,000,000 sheets of paper a year. In fiscal year 2016, this number was reduced by 600,000 sheets. Not only does this lessen the environmental burden and reduce the space needed to store paper documents, it also improves work efficiency and boosts productivity. GLORY's manufacturing group companies in Japan are adopting the same paper-saving measures, and GLORY intends to spread this effort to overseas production bases.



Printed check sheet

Digitized check sheet

New Distribution Center in the Netherlands

Glory Global Solutions Ltd. established the European Master Distribution Centre (EMDC) in Venray, the Netherlands. It has been in operation since fiscal year 2016.

Glory Global Solutions previously operated warehouses in multiple countries. But, by consolidating inventory into a single location, the company is streamlining its distribution routes and reducing CO₂ emissions. When it comes to containerized transport, the company has adopted environmentally friendly transport by rail or barge (waterways)—two systems designed to handle large volumes of cargo.



Containerized transport

Preserving Biodiversity

Since fiscal year 2011, GLORY has strived to protect and maintain biodiversity through initiatives such as forest conservation activities and nature appreciation events at the GLORY Yumesaki Forest (Himeji City, Hyogo Prefecture), with the aim of conveying to young people the importance of nature. And since fiscal year 2013, GLORY has held forest conservation activities in the mountains of Saku, Nagano Prefecture. At this location in April 2016, GLORY planted 1,000 *Quercus serrata* trees; in July, employees thinned out the undergrowth to enable saplings to get enough sunlight.



A forest conservation activity in Nagano Prefecture



Biotope at GLORY Products' Sayo Factory

Biodiversity preservation activities are being carried out by the entire GLORY Group. For example, the Sayo Factory of group company GLORY Products Ltd. has been maintaining a biotope on its grounds since fiscal year 2014.

2017 Medium-Term Environmental Plan, Fiscal Year 2016 Results

Activity Areas	Activity Themes	2017 Medium-Term Environmental Targets	Fiscal Year 2016 Targets	Fiscal Year 2016 Results
Products Development of environmentally friendly products	Prevention of global warming	Reduce CO ₂ emissions compared with previous models by at least 15% (average across all new products)	Reduce by at least 15% (for products developed in fiscal year 2016)	Reduced by average of 28.3% (target achieved for 7 of 9 models)
	Management and reduction of chemical substances	Make all new products RoHS compliant	Comply with all relevant laws	RoHS Directive: Confirmed compliance of new parts for EU-bound products REACH Regulation: Surveyed SVHC amounts. Confirmed non-usage of restricted substances.
	Effective use of resources	Reduce CO ₂ emissions during parts manufacturing by at least 10%	Reduce by at least 3% (for products developed in fiscal year 2016)	Reduced by average of 15.2% (by reducing number of parts) (5 of 9 models achieved emissions same as or lower than previous models)
Business Reduction of environmental impact from business activities	Prevention of global warming	Have environmentally friendly products account for at least 55% of sales Reduce annual per-unit energy consumption by 1% (base year: fiscal year 2010)	At least 50% of sales Reduce annual average by 1%	Accounted for 52.8% of sales Reduced annual average by 2.3%
	Management and reduction of chemical substances	Strictly manage chemical substances on a global scale	Conduct CMS audit	Conducted CMS audits at 7 group companies in Japan (to comply with RoHS Directive)
	Effective use of resources	Reduce annual volume of waste generated by 1% (base year: fiscal year 2010)	Manage control limits	Reduced annual volume of waste generated by average of 2.2%
Awareness Raising environmental awareness	Preservation of biodiversity	Increase the contribution that the GLORY Yumesaki Forest makes to biodiversity preservation (continue botanical surveys and improve management criteria)	Plant 20 trees Thin 1 hectare of forest	Himeji: Held forest conservation activity on April 2 (20 trees planted, 1 hectare of forest thinned); held nature appreciation event for employee families on October 29 Kanto area: Held cleanup on banks of Arakawa River, Tokyo; held forest conservation activities in Saku, Nagano Prefecture; donated building blocks made from sustainable wood to kindergarten
	Cooperate with stakeholders to preserve biodiversity	Cooperate with stakeholders to preserve biodiversity	Formulate plan Carry out plan	Himeji: Held forest conservation activity (2 employees of GLORY suppliers also participated); held nature appreciation event (3 families [12 people] of GLORY suppliers also participated) Kanto area: Held forest conservation activities in Nagano Prefecture (4 employees of GLORY suppliers also participated)
	Develop environment-related action programs on a global scale	Develop environment-related action programs on a global scale	Ascertain situation Formulate plan	Conducted a questionnaire survey of overseas group companies Overseas group companies held forest conservation activities and community cleanups



Stakeholder Dialogue

GLORY communicates with stakeholders and strives for appropriate information disclosure.

Dialogue with Customers

GLORY takes the opportunity to introduce the GLORY Group's products and services to customers in Japan and around the world and to hold dialogues with them.

In February 2017, GLORY renovated its Tokyo showroom, the GLORY Brand Square. Visitors to the showroom are given a firsthand look at GLORY's comprehensive, high-quality solutions. The venue is divided into areas with themes such as Finance, Retail, and Overseas. Each area reproduces the latest installations and operational scenes, while showcasing solutions that optimally match customer needs. GLORY further communicates with customers in Japan and overseas by holding private exhibitions and by taking part in major trade shows.

GLORY also invites its customers to the Himeji and Saitama factories, so they can see the production sites for themselves. This gives them a deeper understanding of the company's production system and quality control.



GLORY Brand Square (Tokyo showroom)



Glory Postal Solutions, a private exhibition (France)

Dialogue with Shareholders and Investors

GLORY strives to build long-term relationships of trust with its shareholders and investors. To this end, the company engages them in constructive dialogue to deepen their understanding of GLORY's management policy and business activities. It also works to increase management transparency through prompt, accurate, and fair information disclosure. After the fiscal year 2016 general meeting of shareholders, GLORY hosted a tour of its new factory, which was completed in September 2015. Visitors on the tour were invited to view the factory's state-of-the-art equipment. On other occasions during the year, GLORY 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.



Factory tour for shareholders



Financial results briefing for institutional investors

Dialogue with Business Partners

Suppliers are important partners that enable GLORY to consistently manufacture high-quality products, and it is vital that a system of cooperation is in place. To this end, GLORY has been holding annual Supplier Conferences in Japan, where the company explains its current situation and strategies. These conferences are also held at GLORY Products Ltd., GLORY Denshi Kogyo (Suzhou) Ltd., and GLORY (PHILIPPINES), INC. This is part of an effort to build relationships of trust that allow GLORY and its suppliers to share the common goal of achieving a sustainable society.

GLORY also holds Quality Improvement Activity Workshops where suppliers present their quality improvement initiatives. This event enables suppliers to share information on best practices.



Supplier Conference



Quality Improvement Activity Workshop

Dialogue with Employees

Since fiscal year 2012, GLORY has held meetings in which the president and other senior executives provide updates to employees. The president explains the company's philosophy and the state of its business. The goal of these meetings is to enhance employees' sense of involvement in business management and to boost their motivation. In fiscal year 2016, these meetings were held at nine locations throughout Japan.

Once a year since fiscal year 2008, GLORY has held a tour of its headquarters offices for families of employees. Family members get to view the workplace, eat at the company cafeteria, and meet the president. This event has proven popular with employees and their families, as it gives family members a chance to see the GLORY work environment firsthand.



Office tour for families of employees



Meeting with the president at GLORY (PHILIPPINES), INC.

Third-Party Opinion

About the GLORY CSR Report 2017

• Commitment of Top Management

In the opening of the report, the President of GLORY expresses the company's strong commitment to the United Nations (UN) Global Compact and the UN Sustainable Development Goals (SDGs).

The report explains that GLORY is in the process of identifying material issues of CSR. A desirable innovation for GLORY would be to build CSR policies that incorporate international frameworks—for example, GRI, ISO 26000, and SDG targets—and to carry out these policies through the company's business activities. Clear goal setting and careful evaluation of results will improve GLORY's global business activities in the future. I expect that GLORY will develop its business sustainably by solving social problems through its business activities and by enhancing its efforts towards Creating Shared Value (CSV).

• Value Chain and Special Report

The section entitled "Major CSR Initiatives in the Value Chain" discloses new information on CO₂ emissions defined in Scope 1, 2, and 3. This indicates GLORY's commitment to achieving its goal of reducing CO₂ emissions and is in line with the actions of many countries that are setting quantitative targets in the wake of the Paris Agreement adopted in December 2015. The disclosed information on CO₂ emissions will make it possible for GLORY to set and improve new key performance indicators (KPIs) that take account of eco efficiency.

The Special Report outlines GLORY's facial recognition technology and provides seven examples of how this technology is contributing to the development of a safer and more secure society—a concept at the heart of the company's corporate philosophy.

• Initiatives in Governance, Quality, Human Resources, Social Contribution, and the Environment

This report explains both new and continuing efforts that GLORY is making in the fields of governance, product quality, human resources, social contribution, and environmental protection. In fiscal year 2016, the company formulated an action plan to promote women's participation and advancement in the workplace, established a daycare center on the company

Chika Saka

Advisor to the President and Professor, School of Business Administration, Kwansai Gakuin University; Doctor

Member of the Science Council of Japan, board member of the Japan Corporate Social Accounting and Reporting Association, board member of the Japan Business Analysis Association. Awards include Japan Accounting Association's Association Award.



premises, reduced 60% of paper usage through campaigns to promote paperless documentation in the Himeji Factory, and established a distribution center in the Netherlands to reduce CO₂ emissions. These achievements show that the company has successfully enhanced its activities and systems in these fields.

As part of GLORY's ongoing contribution to society, many of its employees participate in local volunteer activities. Local residents also participate in GLORY-sponsored activities. These efforts by the company reveal a commendable spirit of corporate citizenship.

• Being a Long-Lasting Company

In 2018, GLORY will celebrate its 100th anniversary. I have conducted research on listed companies in 140 countries around the world. This research gathers financial data from the past 30 years for companies that have been operating for over 100 years and that have achieved sustainability. My research findings reveal that the profit rates of long-lasting companies tend to be large and stable and that these companies add a large amount of value. They contribute to society on an ongoing basis by properly distributing their profits to stakeholders—a management style that emphasizes a positive relationship with stakeholders.

GLORY's management creed states that it endeavors to "coexist harmoniously with society at large." This is borne out in the company's management style, which values coexistence with stakeholders, and in the contribution to society it has been making over the past 100 years. I am very interested in seeing how GLORY will plan for the next century and how it will go about taking large strides based on its experience in CSR—experience that the company has diligently built up since before the term "CSR" was created.

GLORY's Response

This year GLORY once again offers its sincere thanks to Professor Saka for her valuable remarks regarding our CSR efforts. We also appreciate her complimentary words about our 100 years of history.

The GLORY Group upholds a corporate philosophy of helping to realize a sustainable society through our business activities. This year, Professor Saka has suggested we take these two further steps: first, incorporate SDG targets into our CSR agenda and aim to solve

these issues in our business activities; and second, use CO₂ emissions data to set and raise new KPIs that take account of environmental efficiency.

GLORY is currently in the process of identifying material issues. From the perspective of raising corporate value, we will put Professor Saka's suggestions into concrete form, and we will continue our efforts in contributing to the development of a more secure society.



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We Secure the Future

