

Updated: June 30, 2026

GLORY LTD.

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<https://corporate.glory-global.com/>

The corporate governance of GLORY LTD. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Based on our Corporate Philosophy, which embodies our determination to grow as a sustainable enterprise by contributing to a prosperous society through our commitment to product development, the Company and its subsidiaries (the “Subsidiaries”) (the Company and the Subsidiaries, collectively the “Group”) aim to improve the corporate value by striving to exist in harmony with society and promoting sound and efficient corporate management that is trusted and supported by all stakeholders. To this end, we strive to improve corporate governance thus further improve our corporate value, through enhanced supervisory and executive functions of management, expedited, transparent, and objective decision-making, and enhanced compliance management.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company implements each principle of the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code **Updated**

The contents of disclosure based on each principle of the Corporate Governance Code are as follows.

Principle 1.4: Cross-Shareholding*

The Company’s policy is to hold shares of listed companies as cross-shareholdings only if, based on a broad consideration of factors such as business strategies and transaction status of such companies, we judge that maintaining and enhancing the relationship with such companies would increase the corporate value of the Group. To ensure the economic rationale of such holdings, the Company pays attention to the soundness of the management of such companies and considers the market value of shares as well as the dividends and other returns of such companies.

The Board of Directors (the “Board”) annually reviews the purposes and rationale of each cross-shareholding, and discusses whether to continue or discontinue such holdings, based on the economic rationale and business outlook as well as risks and returns over the mid- to long-term. Additionally, such holding is reconsidered if found to be unsuitable.

In FY2025, the Company continued its shareholdings based on the Board’s examination of the stock name, purpose and rationale thereof including the business synergy with the investee companies, the balance of risks and returns against the capital cost, while some of the shares were sold due to reasons such as deviations from the original purpose and decreased significance of such holdings.

The Company will exercise its voting rights on cross-held shares based on broad consideration of factors including the condition of each investee company and on the criteria such as whether or not such exercise is deemed to improve the corporate value of the Company and the investee company.

*Cross-shareholdings: There are cases where listed companies hold the shares of other listed companies for reasons other than pure investment purposes, for example, to strengthen business relationships. Cross-shareholdings here include mutual and unilateral shareholdings.

Principle 1.7: Related Party Transactions

Approvals of the Board are obtained in advance to ensure transactions with related parties, such as the Company's directors (individually a "Director" and collectively the "Directors") or major shareholders, do not harm the Group or the common interests of its shareholders, unless the terms of the transactions are equivalent to those of other general transactions.

Aside from the foregoing, the Company's Regulations of the Board of Directors stipulates that resolution of the Board is required before a Director conducts any competitive transactions, self-dealing transactions, or other transactions that involve a conflict of interest with the Company.

Transactions with related parties are disclosed in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations.

Meanwhile, the Audit & Supervisory Committee requires Directors to submit confirmation letters concerning their engagement in competitive transactions, self-dealing transactions, any other transactions that involve a conflict of interest with the Company, and transactions with shareholders under unusual terms of transactions, and reports the details thereof to the Board.

Supplementary Principle 2.4.1: Ensuring Diversity in the Core Human Resources

The Group considers diverse human resources who create new value and business as one of the keys for further growth of the Group. We actively and consistently recruit diverse personnel regardless of age, gender, nationality, and career backgrounds and promote their appointment to management positions.

In addition, the Group aims to develop its employees' skills based on the belief that the growth of employees will lead to the growth of the Company and, in turn, will contribute to the sustainable improvement of our corporate value.

■ For details: https://www.glory.co.jp/csr/society/human_resources/

Principle 2.6: Roles of Corporate Pension Funds as Asset Owners

The Company manages its corporate pension plan through the GLORY Group Corporate Pension Fund and a contract-type pension plan. Recognizing that cases where the management of pension fund reserves may affect its financial condition besides the stable asset formation of beneficiaries, the Company has assigned personnel trained and suited for the management of the pension fund reserves. In addition, the Company has established a system to ensure sound management of pension assets by incorporating the opinions of outside professionals where deemed necessary, through the committees regarding the corporate pension plan. Further, the status of the management of the pension fund reserves is reported to the Board on a regular basis.

Principle 3.1: Full Disclosure

(i) Corporate philosophy, Corporate Management Strategy and Management Plan

The Company's corporate philosophy and values are available on its website. The Company's long-term visions, long-term growth story, and mid-term management plans are disclosed upon formulation on the Company's website and through the Tokyo Stock Exchange (the "TSE") and other media.

■ Corporate Philosophy and Our Values

<https://corporate.glory-global.com/groupinfo/philosophy/>

■ Long-Term Vision and the Medium-Term Management Plan

<https://corporate.glory-global.com/ir/management/plan/>

(ii) Basic Views and Policy on Corporate Governance

The Company's Corporate Governance Guidelines sets forth its basic views and policy concerning corporate governance of the Group.

■ Corporate Governance Guidelines

<https://corporate.glory-global.com/groupinfo/governance/>

(iii) Policy and Procedures for Determining Remuneration of Directors and Other Officers

See the section “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” under “II. 1. Directors’ Remuneration” herein.

(iv) Policy and Procedures for Appointing, Dismissing and Nominating Directors and Other Officers

For the appointment of senior management from among Directors or nomination of candidates for Directors, the Company examines individuals based on such criteria as their extensive experiences in and out of Japan, depth of insight, ability and expertise for the expected roles, personalities, and other factors required to develop the corporate governance system and to contribute to the steady increase corporate value of the Group. Candidates for executive Directors are appointed from among individuals with extensive knowledge of the Group’s domestic and overseas businesses or corporate operations. Candidates for Outside Directors are appointed from among individuals who have expertise in the areas of corporate management, law, finance, and accounting and are qualified to provide recommendations and advice on the management from broad perspectives.

Candidates for Directors who are Audit & Supervisory Committee Members are appointed from among individuals who have experience, abilities, and necessary knowledge of finance, accounting, and legal matters required for audits and supervisions for the businesses that the Group is engaged in Japan and overseas. Specifically, the Audit & Supervisory Committee will include at least one individual who has sufficient knowledge of finance and accounting, and candidates for Outside Directors who are Audit & Supervisory Committee Members are appointed from among individuals who have a high level of independence from the Company as well as broad experience and extensive knowledge in the areas of law, finance, accounting, and corporate management.

To ensure transparency and objectivity in the appointment of Directors and executives, the Company has established, as an optional advisory committee to the Board, the Nomination Advisory Committee, of which the majority of members are independent Outside Directors. Candidates for Directors who are not Audit & Supervisory Committee Members are determined by the Board (with the consent of the Audit & Supervisory Committee in the case of Directors who are Audit & Supervisory Committee Members), taking into consideration the advice from the Nomination Advisory Committee.

In the event that any member of the senior management is deemed to no longer meet the criteria above, the Board determines, upon deliberation by the Nomination Advisory Committee, his or her dismissal from the position.

(v) Explanation regarding Appointment, Dismissal or Nomination of Directors

The Company states reasons for appointing each candidate for Director in the convocation notices of its general meetings of shareholders. Further, in the case that the Board has determined to dismiss any member of the senior management from his or her position, the Company promptly discloses such information in accordance with the timely disclosure rules etc. set forth by the TSE.

■ Notice of Ordinary General Meeting of Shareholders

<https://corporate.glory-global.com/ir/meeting/>

Supplementary Principle 3.1.3: Initiatives on Sustainability

Under the corporate philosophy of *Building a more secure world through global collaboration and commitment to excellence*, we intend to resolve social issues using the core technologies we have developed, and the advanced technologies designed to create new value, in our efforts to develop a sustainable society and improve our corporate value.

Derived from the corporate philosophy, the Group has formulated the sustainability policy: *Contribute to the sustainable growth of society and promote measures to improve corporate value*, and promotes initiatives with KPIs for the material sustainability issues identified in the areas of *Environment, Society, Governance, and New Value Creation*. The Sustainability Committee, chaired by the President, has been established directly under the Board, which regularly supervises the Committee and its activities including policy formulation, KPI setting, and implementation of initiatives.

In the area of *Environment*, we have identified *Reduction of greenhouse gas emissions* as our top priority issue to be resolved to achieve carbon neutrality by 2050 (i.e., net zero in Scope 1 and 2). To achieve carbon neutrality by 2050 (i.e., net zero in Scope 1 and 2), we promote initiatives to achieve the targets set according to a global standard of the SBT (Science Based Targets) and continue our information disclosure based on the TCFD (Task Force on Climate Related Financial Information Disclosure) recommendations.

The material issue identified in the area of *Society* is *Respecting human rights*. We strive to enhance our initiatives and corporate management in accordance with the Glory Group Human Rights Policy.

Human Capital

Securing and developing human resources that contribute to our business strategy and *Promoting a pleasant work environment* are the material sustainability issues identified in the area of *Society*. It is incorporated into our 2026 Medium-Term Management Plan as the HR strategy: *Develop human capital as the source of competitive advantage*. Here, we aim to create new value through “next-generation” business proposals and transform our solutions designed to address society’s needs into an engine of our growth. Our initiatives are intended to build a foundation for human capital development. To support the growth of individuals and the Group, we strive to develop DX specialists who lead the next generation of business, and to promote initiatives to develop a comfortable work environment for all through Health and Productivity Management etc.

Intellectual Property (IP)

The material issues identified in the area of *New Value Creation* are (i) *Offering solutions and products that address society’s needs*, and (ii) *Promoting R&D and innovation*. IP investment is an essential element in our 2026 Medium-Term Management Plan “*GLORY TRANSFORMATION 2026 - Shape the future with GLORY -*”, which is driven under the basic policies of “*Develop new revenue streams*” and “*Increase profitability of core business*”. As an engine for growth, we work to enhance our brand value through inventions and acquisition of IP rights, while promoting the use of IP rights in business strategies and implementing risk avoidance measures such as IP searches to avoid disputes.

■ Glory’s Sustainability: <https://www.glory.co.jp/csr/>

■ Human Capital

<https://corporate.glory-global.com/csr/society/> (Sustainability - *Society*)

https://www.glory.co.jp/ir/financial/security_report/ (Securities Report - Japanese only)

<https://corporate.glory-global.com/ir/financial/annual/> (Integrated Report)

■ Intellectual Property: <https://corporate.glory-global.com/csr/development/>

Supplementary Principle 4.1.1: Scope and Content of Matters Delegated to the Management

The Regulations of the Board of Directors stipulates the matters to be resolved by the Board, including matters concerning general meetings of shareholders and financial results, the Board and its Directors, company shares, management policies, important assets and borrowings, organizations and personnel affairs, the Group management, matters stipulated by laws and regulations and the Articles of Incorporation, and other important matters concerning the Group. The Board delegates certain decisions regarding executions of important operations to Directors.

Certain business execution authorities with regard to matters out of scope of resolution as stipulated in the Regulations of the Board of Directors are delegated by the Board to Representative Directors, executive officers, or general managers of relevant departments as defined in the “Rules on Approval Authority”.

Principle 4.9: Independence Standards and Qualifications for Independent Outside Directors

The Company requires each of the Company’s independent Outside Directors to satisfy the Standards for Independent Outside Directors described in this report under “II. 1. Independent Directors”, in addition to their compliance with the independence criteria set forth by the TSE.

Supplementary Principle 4.10.1: Approach, Authority, and Roles, etc. regarding Independence of the Composition of the Nomination Committee and the Compensation Committee

See “2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” in this report.

Supplementary Principle 4.11.1: Balance, Diversity and Scale of the Board of Directors

The Company acknowledges the importance of ensuring the balance and diversity of knowledge, experience, and ability of the Board as a whole. The Company therefore ensures that the Board consists of (a) executive Directors who have extensive knowledge of the Group’s businesses or corporate operations in and out of Japan and (b) Outside Directors who have expertise in areas such as corporate management, law, finance and accounting and are able to provide the management with valuable recommendations and advice from broad perspectives.

As to the number of Directors, the Board consists of no more than ten (10) Directors who are not Audit & Supervisory Committee Members and no more than five (5) Directors who are Audit & Supervisory Committee Members to expedite the decision-making process and promote active deliberations. To ensure appropriate supervision of the Company’s management, one-third or more of the Directors are independent Outside Directors who have credentials to contribute to the Company’s sustainable growth and enhancement of its corporate value over the medium to long term.

Skills required for the members of the Board are described in the Notice of the 80th Ordinary General Meeting of Shareholders.

■ Notice of Ordinary General Meeting of Shareholders

<https://corporate.glory-global.com/ir/meeting/>

Supplementary Principle 4.11.2: Directors’ Concurrent Positions

The Company discloses the status of Directors concurrently serving as officers at other listed companies through the convocation notices of the general meetings of shareholders, annual securities reports, corporate governance reports, or similar publications.

■ Notice of Ordinary General Meeting of Shareholders

<https://corporate.glory-global.com/ir/meeting/>

Supplementary Principle 4.11.3: Summary of Board Effectiveness Evaluation Results

To strengthen the Board’s functions, the Company conducts board effectiveness evaluations involving Directors’ self-evaluations and analysis by the Board itself. Summary of the evaluation results is available on the Company’s website.

■ Summary of the Board Effectiveness Evaluation Results

<https://corporate.glory-global.com/groupinfo/governance/evaluation/>

Supplementary Principle 4.14.2: Policy for Training of Directors

The Company’s basic policy is to provide Directors with necessary training regularly and as required for them to fulfill their expected roles and responsibilities.

Directors participate in in-house training and/or seminars organized by the TSE and other external organizations to acquire, update, and refine their knowledge and expertise. In addition, the Company provides Directors with factory tours and on-site visits etc. for them to develop better understanding of the Group’s business, finance, and corporate structures. As necessary, Directors participate in workshops given by outside professionals such as lawyers and other subject matter experts.

Principle 5.1: Policy for Constructive Dialogue with Shareholders

The Company commits to the philosophy of “*communicating with stakeholders and striving for appropriate information disclosure*” defined in its Corporate Action Guidelines. Based on this philosophy, the Company strives to enhance the transparency of its management through prompt, accurate and fair means of providing the latest corporate information and to gaining a better understanding of its management policies and business

activities through constructive dialogue, thereby building long-term relationships of trust with shareholders and investors.

See the Company’s website for the policy for constructive dialogue with shareholders.

■ Policies concerning Disclosure of Information and Constructive Dialogue with Shareholders and Investors
<https://corporate.glory-global.com/ir/management/policy/>

■ Dialogue with Shareholders
 FY2025 Year-End Material for Investor Conference (p.14)
<https://corporate.glory-global.com/ir/financial/results>

Initiatives to promote management that is conscious of cost of capital and stock price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	May 15, 2026 Updated

Explanation of initiatives **Updated**

The Company is committed to generating sustainable returns that exceed its cost of capital. To achieve this, our 2026 Medium-Term Management Plan clearly defines ROA, ROIC, and ROE as key performance indicators (KPIs). We aim to enhance profitability through synergies with acquired companies and expansion of our Americas business positioned as a core growth driver, while improving capital efficiency by optimizing our business portfolio and reducing cross-shareholdings.

Returning profits to shareholders is one of the Company’s key management priorities. Accordingly, our basic policy is to pay stable dividends, while maintaining our financial strength and making investments for future growth. Under this policy, we aim to further enhance corporate value by targeting progressive dividends based on the annual dividend for the fiscal year ended March 2024 (106 yen per share); a dividend on equity (“DOE”) ratio of 4.0% or higher; and a total return ratio of 100% or higher.

Under the 2026 Medium-Term Management Plan, we are strengthening investments in human capital to enhance corporate value, while advancing a human resources strategy that supports the growth of new business domains and overseas businesses. Key initiatives include i) enhanced DX training and certification support, ii) overseas internship programs and global recruitment of IT talent, iii) expanded new graduate and mid-career hiring, and iv) internal internship and self-driven career challenge programs (an internal job posting system).

Our IR activities involve constructive dialogue with a diverse range of investors through earnings briefings, conferences, and individual meetings, and incorporate their perspectives into management strategies, including the formulation of capital policies, enhancement of returning profits to shareholders, establishment of our Long-Term growth story, and continuous improvement of our Integrated Report.

■ FY2025 Year-End Material for Investor Conference (p.7-23)
<https://corporate.glory-global.com/ir/financial/results/>

■ Integrated Report 2025 (p.5-15)
<https://corporate.glory-global.com/ir/financial/annual/>

2. Capital Structure **Updated**

Foreign Shareholding Ratio	From 20% to less than 30%
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Status of Major Shareholders

Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	8,106,300	14.98
Nippon Life Insurance Company	3,427,224	6.33
GLORY Group Employees' Stock Ownership Association	2,187,284	4.04
Custody Bank of Japan, Ltd. (Trust account)	1,668,000	3.08
Tatsubo Fashion Co. Ltd.	1,500,000	2.77
The Master Trust Bank of Japan, Ltd. (ESOP Trust account 75838)	1,407,327	2.60
STATE STREET BANK AND TRUST COMPANY 505223	1,249,408	2.31
GLORY Business Partners' Stock Ownership Association	1,141,273	2.11
Sumitomo Mitsui Banking Corporation	1,100,444	2.03
STATE STREET BANK AND TRUST COMPANY 505103	946,644	1.75

Controlling Shareholder (except for Parent Company)	-
Parent Company	-

Supplementary Explanation

- (1) The above is the status of major shareholders as of March 31, 2026. The Company, which holds 4,817,876 treasury shares, is not included in the above list.
- (2) The "Report of Possession of Large Volume (Amendment)" dated April 7, 2011, filed by Nippon Life Insurance Company with the Director-General of the Kinki Local Finance Bureau, declares the holding of 3,878,824 shares of the Company (shareholding ratio of 5.65%) as of March 31, 2011. However, it is not included in the above list, since the Company was unable to confirm the number of shares beneficially held by such company on the shareholder registry as of March 31, 2026.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime
Fiscal Year-End	March
Type of Business	Machinery
Number of employees (Consolidated) as of the end of previous fiscal year	More than 1,000
Sales (Consolidated) as of the end of previous fiscal year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the end of previous fiscal year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Structure

Organization Structure	Company with Audit & Supervisory Committee
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Directors

Maximum number of Directors stipulated in Articles of Incorporation	15
Term of office stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Directors within the above number of Outside Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ian Jordan	From another company											
Ikuji Ikeda	From another company											
Koji Naito	From another company											
Keiichi Kato	Attorney-at-law											
Yukako Ikukawa	Certified Public Tax Accountant											

*Categories of Relationship with the Company:

- if Director presently falls or has recently fallen under the category
- △ if Director had fallen under the category in the past
- if a close relative of Director presently falls or has recently fallen under the category
- ▲ if a close relative of Director has fallen under the category in the past.

- a. Person who executes business for the Company or Subsidiaries
- b. Person who executes business for a non-executive director of the Company's parent company
- c. Person who executes business for a fellow Subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for the person/entity
- e. Major client of the Company or a person who executes business for said the major client
- f. Consultant, accounting or legal expert who receives large amounts of cash or other assets from the Company in addition to the remuneration paid by the Company to a director/company auditor
- g. Major shareholder of the Company (in cases where such shareholder is a corporation, a person who executes business for the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to Director him/herself only)
- i. Person who executes business for another company that holds cross-directorships/cross-auditor ships with the Company (applies to Director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to Director him/herself only)
- k. Others

Outside Directors' Relationship with the Company (2) **Updated**

Name	Audit & Supervisory Committee Member	Designated as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Ian Jordan		✓	No conflicts of interest with the Company	<p>Ian Jordan possesses wide experience and knowledge in the world of software and technology services as a management executive at large multi-national consulting and technology companies. The Company has appointed Mr. Jordan as an Outside Director based upon the judgement that, his advice and recommendations, given from an independent standpoint, contribute to the enhancement of the Boards' supervisory function and our competitiveness in the global market and transparency and fairness in the Company's management. Mr. Jordan is designated as "Independent Director," as we judge that there was, is, or will be no likelihood for any conflict of interest arising between him and the Company's general shareholders.</p>
Ikuji Ikeda		✓	No conflicts of interest with the Company	<p>Ikuji Ikeda possesses extensive knowledge and experience as a management executive at a global company, in addition to his achievements in the fields of production and international business. The Company has appointed Mr. Ikeda as an Outside Director based upon the judgement that his advice and recommendations, given from an independent standpoint, would contribute to the enhancement of the supervisory function of the Board, transparency and fairness in the Company's management. Mr. Ikeda is designated as "Independent Director," as we judge that there was, is, or will be no likelihood for any conflict of interest arising between him and the Company's general shareholders.</p>

Koji Naito		✓	No conflicts of interest with the Company	<p>Koji Naito possesses extensive international business experience gained at a global company.</p> <p>The Company has appointed Mr. Naito as an Outside Director based upon the judgement that his advice and recommendations, given from an independent standpoint, would contribute to the enhancement of the supervisory function of the Board, transparency and fairness in the Company's management.</p> <p>Mr. Naito is designated as "Independent Director," as we judge that there was, is, or will be no likelihood for any conflict of interest arising between him and the Company's general shareholders.</p>
Keiichi Kato	✓	✓	No conflicts of interest with the Company	<p>Keiichi Kato possesses expert knowledge and experience as an attorney-at-law.</p> <p>The Company has appointed Mr. Kato as an Outside Director based upon the judgement that his expertise and experience applied in the Company's audits from an independent standpoint would strengthen the Board's supervision, in ensuring legitimacy and adequacy in the Company's management.</p> <p>Mr. Kato is designated as "Independent Director," as we judge that there was, is, or will be no likelihood for any conflict of interest arising between him and the Company's general shareholders.</p>
Yukako Ikukawa	✓	✓	No conflicts of interest with the Company	<p>Yukako Ikukawa possesses expert knowledge and experience as a Certified Public Tax Accountant.</p> <p>The Company has appointed Ms. Ikukawa as an Outside Director, based upon the judgement that her expertise and experience applied in the Company's audits from an independent standpoint would strengthen the Board's supervision, in ensuring legitimacy and adequacy in the Company's management.</p> <p>Ms. Ikukawa is designated as "Independent Director," as we judge that there was, is, or will be no likelihood for any conflict of interest arising between her and the Company's general shareholders.</p>

Audit & Supervisory Committee

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	3	1	1	2	Inside Director

Appointment of Directors and/or Employees to Support the Audit & Supervisory Committee in its execution of duties	Appointed
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Matters Related to Independence of such Directors and/or Employees from Executive Directors

Upon consultation with the Audit & Supervisory Committee, the Board assigns the employees who have the knowledge required by the Committee to assist the committee with its execution of duties (the "Committee Support Officers"). The Committee Support Officers perform their duties as directed by the Committee and are permitted to concurrently assume the office of corporate auditor of Subsidiaries.

The Committee is delegated the rights to direct the Committee Support Officers during the period designated thereby, to ensure independence of the Committee Support Officers, who will not receive any directions from Directors who are not Audit & Supervisory Committee Members. Any decisions on appointments, transfers, or personnel affairs regarding the Committee Support Officers are subject to prior consent of the Audit & Supervisory Committee.

Cooperation among Audit & Supervisory Committee, Accounting Auditor, and Internal Audit Department

Updated

The Audit & Supervisory Committee and the Company's accounting auditor (the "Accounting Auditor") works closely to enhance the efficiency and effectiveness of audits. To ensure appropriateness and credibility in their execution of duties, they meet regularly and as required to discuss annual and on-site audit plans formulated at the beginning of each fiscal year (including the ones for consolidated Subsidiaries), collect information, and identify the matters that require special attention.

The Audit & Supervisory Committee enhances coordination with the Company's Internal Audit Department by sharing its audit policies and reviewing the annual audit plan prepared by the department. A full-time Audit & Supervisory Committee Member meets monthly with the department, while the Committee meets quarterly to receive reports on audit results and provides instructions as necessary.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee corresponding to Nomination Committee	Committee corresponding to Remuneration Committee
Committee's Name	Nomination Advisory Committee	Compensation Advisory Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	2	2
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

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Independent Directors

Number of Independent Directors	5
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Matters relating to Independent Directors **Updated**

The Company designates as Independent Directors, all Outside Directors who satisfy the requirements stipulated in the Company's Standards for Independent Outside Directors shown below:

Standards for Independent Outside Directors

Independent Outside Directors must not be under any of the following.

- (1) Any person who is currently, or at any point in the past ten years has been, an executive of the Company or any of the Subsidiaries.
- (2) Any person who is a major*1 client/supplier of the Company or for whom the Company is a major client/supplier (or any executing person of the said major client or supplier if the client or supplier is a legal entity).
- (3) Any consultant, or accounting/legal professional who receives a large amount*2 of monetary consideration or any other property from the Company besides compensation as a Director (or a person belonging thereto if the consultant, accounting, or legal professional is a legal entity).
- (4) Any person who receives a large amount*2 of financial contributions or support from the Company (or a person belonging thereto if the person is a legal entity).
- (5) Any person who is a major shareholder of the Company (or any person belonging thereto if the shareholder is a legal entity).
- (6) Any person who has fallen under any of (2) through (5) above in the past three years.
- (7) A spouse or any family member within the second degree of kinship of any person (excluding those not in material positions*3) listed in (1) through (5) above.

*1 (i) A client/supplier of which the average value of transaction with the Company for the past three business years exceeds 2% of the consolidated revenue of the most recent business year of the Company or such client/supplier; or (ii) A financial institution from which the average amount of money borrowed by the Company as of the last day of each of the past three business years exceeds 2% of the Company's consolidated total assets as of the last day of its most recent business year.

*2 The average amount received during the past three business years exceeds (i) 10 million yen in the case of individuals or (ii) 2% of the gross revenue of its most recent business year of the said legal entity in case of a legal entity.

*3 Directors, audit & supervisory board members, executive officers, or employees with senior management positions such as division heads.

Criteria for determining that Director's relationship with the Company is unlikely to influence shareholders' voting decisions

If an Outsider Director falls under the following category, description or summary is omitted.

- (1) An executing person of client or supplier of which the average value of transaction with the Company for the past three fiscal years accounts for 2% or less of the consolidated revenue for the most recent fiscal year of the Company or its client/supplier
- (2) An executing person of a financial institution from which the average amount of money borrowed by the Company as of the last day of each of the last three fiscal years accounts for 2% or less of the Company's consolidated total assets as of the last day of its most recent fiscal year.
- (3) A person or person who belongs to a legal entity of which the average amount of monetary consideration or any other property and/or financial contributions or support received from the Company for the past three fiscal years accounts for (i) 10 million yen or less in the case of individuals, (ii) in the case of a legal entity, etc., 2% or less of the gross revenue of its most recent fiscal year.

Incentives

Incentive Policies for Directors	Performance-based remuneration
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Supplementary Explanation

See the "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" below.

Recipients of Stock Options	-
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Supplementary Explanation

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Directors' Remuneration

Disclosure of Individual Directors' Remuneration	Partially disclosed
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Supplementary Explanation **Updated**

The remuneration for Directors for FY2025 (fiscal year ended March 31, 2026) is as follows:

- Nine (9) Directors who are not Audit & Supervisory Committee Members (including four (4) Outside Directors)
Fixed compensation: ¥196 million (including ¥39 million for the Outside Directors)
Performance-based bonus: ¥113 million (-)
Performance-based stock compensation: ¥91 million (-)
- Three (3) Directors who are Audit & Supervisory Committee Members (including two (2) Outside Directors)
Fixed compensation: ¥43 million (including ¥21 million for the Outside Directors)

Notes:

- (1) The remuneration for Directors who are not Audit & Supervisory Committee Members for FY2025 includes the remuneration paid to two (2) Directors (including one Outside Director) who retired at the conclusion of the 79th Ordinary General Meeting of Shareholders held on June 20, 2025.
- (2) The amounts paid to Directors who are not Audit & Supervisory Committee Members do not include employee salaries paid to Directors concurrently serving as employees.

- (3) As resolved at the 78th Ordinary General Meeting of Shareholders held on June 21, 2024 (the 78th Shareholders Meeting), the maximum total amount of cash compensation for Directors who are not Audit & Supervisory Committee Members is ¥700 million per annum (including maximum of ¥60 million for Outside Directors and excluding employee salaries paid to Directors concurrently serving as employees. As of the close of the meeting, there were eight (8) Directors (including three (3) Outside Directors). In addition, it has been resolved at the 78th Shareholders Meeting that, the upper limit of money to be contributed to the trust set up by the Company for the Stock Compensation plan for Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors), is 950 million yen and the upper limit of the Company's shares to be distributed is 260,000 shares during the three fiscal years from April 2025 to March 2027 or for each of the fiscal years thereafter if the trust continues. As of the close of the meeting, there were five (5) Directors eligible for the plan.
- (4) As resolved at the 74th Ordinary General Meeting of Shareholders, the maximum total amount of cash compensation for Directors who are Audit & Supervisory Committee Members is ¥80 million per annum. As of the close of the meeting, there were three (3) Directors (including two (2) Outside Directors).
- (5) Performance-based Bonuses and Stock Compensation are paid to three (3) Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors). Performance-based Bonuses and Stock Compensation are not paid to a Director who is not an Audit & Supervisory Committee Member concurrently serving as a director of Subsidiaries, considering the remuneration paid by one of the Subsidiaries and the responsibilities at the Company. The amount of performance-based Stock Compensation is presented based on the provision for stock-based compensation for the current fiscal year under review (under Japanese-Generally Accepted Accounting Principles ("J-GAAP")).
- (6) The Company has disclosed in its Annual Securities Report the amount of remuneration for Directors whose individual amount of remuneration for the fiscal year under review exceeded 100 million yen.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods **Updated**

The Company has set a policy regarding the remuneration for Directors as follows:

a) Basic policy

Remuneration for Directors of the Company is designed in such a manner that values can be shared with shareholders and the level is appropriate for their duties. Due consideration is given to incentives for continued improvement of corporate performance and securing of talented human resources.

b) Policy on remuneration structure

- Remuneration for executive Directors consists of fixed compensation ("Fixed Compensation"), short-term performance-based bonuses ("Bonuses") and mid- to long-term performance-based stock compensation ("Stock Compensation"). Bonuses or Stock Compensation may not be paid to Directors who serve as executive directors of Subsidiaries, considering the remuneration paid by such Subsidiaries and the levels of their duties in the Company.
- Remuneration for Outside Directors consists of monthly Fixed Compensation only, considering their supervisory roles and independency.
- No retirement benefits are paid to any Director.

c) Policy on determining the contents and calculation of amount and numbers of remuneration

- The amounts of remuneration for Directors are based on broad consideration of factors including the Company's performance and the compensation standard of other companies.
- The amount of Fixed Compensation is determined according to the position and responsibilities of each Director.

- Bonuses are cash compensation based on short-term business performance and are aimed at improving the Group's business performance for each fiscal year covered in the medium-term management plan. The target indicator for Bonuses is consolidated operating profit before goodwill amortization under J-GAAP out of the performance targets set in the 2026 Medium-Term Management Plan. Bonuses are paid according to the degree of achievement, specifically, by zero (if achievement rate is less than 60%) to two (if achievement rate is 140% or more) times the predetermined amount set according to responsibilities of each Director.
- Stock Compensation is a non-cash compensation based on mid- to long-term business performance and is aimed at improving the Group's business performance for the three fiscal years covered in the 2026 Medium-Term Management Plan. The performance indicators for Stock Compensation are consolidated revenue outside new business domain (30%), revenue in new business domain (30%), and ROIC (40%), each restated from J-GAAP to IFRS, based on the performance targets set in the 2026 Medium-Term Management Plan. According to the achievement rate of the predetermined performance target set for each of the three fiscal years concerned, the Company distributes its shares corresponding to the point calculated based on the basic points set according to the responsibilities of each Director, multiplied by the performance-linked coefficient, which ranges from zero (if achievement rate less than 60%) to two (if achievement rate is 140% or more). The distribution weighing is 20% in the first year, 30% in the second year, and 50% in the final year of the 2026 Medium-Term Management Plan period.

d) Policy on determining compensation ratio by type

- The ratio between the base amount of cash compensation (Fixed Compensation and Bonuses) and that of Stock Compensation for the President & Representative Director is set approximately at 70% and 30% respectively. The ratios for other Directors are determined accordingly, based on the responsibilities of each Director and general compensation standard.
- The ratio between the base amount of Fixed Compensation and that of performance-based compensation (Bonuses and Stock Compensation) for the President & Representative Director is set approximately at 40% and 60% respectively. The ratios for other Directors are determined accordingly, based on the responsibilities of each Director and general compensation standard.

e) Matters on determining remuneration for individual Directors

To ensure transparency and objectivity in the process of determining the remuneration for individual Directors, total amount of monthly Fixed Compensation and Bonuses for Directors who are not Audit & Supervisory Committee Members, is determined by a resolution of the Board within the ranges approved at a general meeting of shareholders, based upon the deliberation by the Compensation Advisory Committee. To enable timely decision-making, the authority is delegated to the President to determine the amount to be paid to each Director following the results of deliberations by the Compensation Advisory Committee. As for Stock Compensation, the Company distributes its shares equivalent to the points calculated based on the Share Distribution Regulations as resolved by the Board, upon confirmation by the Compensation Advisory Committee.

Remuneration for Directors who are Audit & Supervisory Committee Members consists of monthly Fixed Compensation only, as they serve mainly with audits and supervision of corporate management. The amount for each Director who is an Audit & Supervisory Committee Member is determined by deliberations of the Audit & Supervisory Committee Members within the ranges approved at a general meeting of shareholders.

Support for Outside Directors

The Company ensures that material management information is provided to Outside Directors through materials distributed prior to the Board meetings, reports or/and summary of deliberations from material meetings such as Management Conferences, and other important internal information.

At Audit & Supervisory Committee meetings, Outside Directors who are Audit & Supervisory Committee Members receive reports on regular audits and other material management information, principally from a full-time Committee Member. They also participate in regular reviews conducted by the Company's officers and employees, the Internal Audit Department, and the Accounting Auditor for effective communication and collaboration.

Retired presidents/CEOs holding advisory positions

Information on retired presidents/CEOs holding advisory positions (*Sodanyaku, Komon, etc.*)

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Number of retired presidents/CEOs holding advisory positions (*Sodanyaku, Komon, etc.*)

2

Other matters

To facilitate corporate management, the Company employs a system to appoint executive advisers from among its retired presidents upon resolution of the Board. Such executive advisers provide guidance and opinions on the Company's management from a broader perspective and become involved in industry associations and social contribution activities that are considered important in improving the Company's corporate value. Such executive advisers do not have any authority for management decisions.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated**

Below is the outline of main organs which support the Company's corporate governance system:

Directors and Board of Directors:

The Board is composed of 10 Directors, including seven (7) Directors who are not Audit & Supervisory Committee Members and three (3) Directors who are Audit & Supervisory Committee Members. Five (5) of the ten Board members are independent Outside Directors. In accordance with the Company's Rules of the Board of Directors, the Board, chaired by the President & Director, decides on important business policies of the Group, supervises and receives reports on matters regarding the Group's business execution. To enable expedited decision-making, certain business execution authorities are delegated to Directors.

In FY2025, the Board met 18 times, and in accordance with the Rules of the Board of Directors, made decisions on matters stipulated by laws and regulations as well as the Group's important management policies, and received reports on the status of business execution. Major agenda items in FY2025 included the formulation of the Long-Term Growth Story, the update of the 2026 Medium-Term Management Plan, business growth investments including M&A, post-investment monitoring, internal control enhancement, inventory optimization, geopolitical risks, and Board effectiveness evaluation.

Based on the results of the Board effectiveness evaluation for the previous fiscal year, the Company facilitated discussions among Directors and deliberated on the direction of its medium- to long-term strategies and key management issues to further enhance Board effectiveness.

<Key Discussion Topics in FY2025>

- Long-Term Growth Story
- Optimal structure of the group governance framework
- Human capital management and executive succession planning

Audit & Supervisory Committee:

The Company's Audit & Supervisory Committee is composed of three (3) Audit & Supervisory Committee Members, including two (2) independent Outside Directors. The Company ensures the effectiveness of the Audit & Supervisory Committee by having a full-time committee member and a chairperson therein. Currently, the chairperson is a full-time committee member.

In accordance with the Company's audit policy and the assignment of duties stipulated therein, the Audit & Supervisory Committee conduct audits in liaison with the Internal Audit Department positioned directly under the committee and the Accounting Auditor based on the committee's annual corporate audit plans. The Audit & Supervisory Committee meets once per month in principle to deliberate on the progress and results of the audits. The Company has two (2) Outside Directors who are Audit & Supervisory Committee Members, Keiichi Kato and Yukako Ikukawa. Mr. Kato is an attorney-at-law with extensive knowledge and experience in corporate

legal affairs and Ms. Ikukawa is a Certified Public Tax Accountant with considerable expertise in finance and accounting. Their knowledge and expertise contribute to the effectiveness of audits and enhance the Board's monitoring function in enhancing legitimacy and adequacy in the Company's management.

Moreover, the Company appoints two (2) employees to assist the Audit & Supervisory Committee with the execution of its duties.

Executive Officers:

The Company employs an Executive Officer system in order to separate the functions of supervisory and business execution of management for prompt decision-making and efficient business management. The Company appoints executive officers as the heads of the Company's cross-functional organizations who work closely with the management and execute business strategically to improve the Group's corporate value. Under the direction and supervision of Representative Director, Executive Officers execute their duties based on decisions made by the Board or by Directors to whom the Board has delegated business execution authorities.

Nomination Advisory Committee:

The Company has established a Nomination Advisory Committee to ensure transparency and objectivity concerning the nomination of Directors. As required by the Board, the Nomination Advisory Committee deliberates on the nomination of candidates for Directors and Executive Officers, as well as on senior management and succession planning. The current committee members are Koji Naito (Chairperson, Outside Director), Ikuji Ikeda (Outside Director), and Akihiro Harada (Representative Director).

In FY2025, the committee met nine (9) times to deliberate on matters referred by the Board to provide its recommendation. Key topics included Board composition, Director and Executive Officer candidates and related interviews, and succession planning and selection processes for Director and Executive Officer and future key positions within the Group, in light of the Group's medium- to long-term strategies and business environment. In FY2025, committee members, Ikuji Ikeda (Outside Director) and Akihiro Harada (Representative Director) attended all meetings, while Koji Naito (Chairperson, Outside Director) attended eight (8) meetings since assuming the office as of the close of the 79th General Meeting of Shareholders held on June 20, 2025. Joji Iki (Chairperson, Outside Director), who resigned from the position of committee member as of the close of the 79th General Meeting of Shareholders held on June 20, 2025, attended one (1) meeting during his office.

Compensation Advisory Committee:

The Company has established a Compensation Advisory Committee to ensure transparency and objectivity in determining remuneration for Directors and Executive Officers. As required by the Board, the Compensation Advisory Committee deliberates and reports to the Board on fairness of compensation amount, structure and decision-making process in relation to Directors' remuneration consisting of Fixed Compensation, Bonuses, and Stock Compensation. The current committee members are Ikuji Ikeda (Chairperson, Outside Director), Koji Naito (Outside Director), and Akihiro Harada (Representative Director).

In FY2025, the committee met six (6) times to deliberate on matters referred by the Board and provide its recommendation. Key topics included amount of the fixed remuneration and the appropriateness of evaluation of performance-linked remuneration for Directors and Executive Officers, the target performance indicators and calculation methods for Bonuses and Stock Compensation following the transition to IFRS, and the appropriateness of remuneration levels based on peer benchmarking. In FY2025 committee members, Ikuji Ikeda (Chairperson, Outside Director) and Akihiro Harada (Representative Director), attended all meetings, while Koji Naito (Outside Director) attended five (5) meetings since assuming the office of Director as of the close of the 79th General Meeting of Shareholders held on June 20, 2025. Joji Iki (Chairperson, Outside Director), who resigned from the position of committee member as of the close of the 79th General Meeting of Shareholders held on June 20, 2025, attended one (1) meeting during his office.

Management Conference:

The Company holds Management Conferences, which act as an advisory body to the Representative Directors for prompt management decisions and deliberations on business execution, in accordance with the basic policies determined by the Board. The Management Conference, chaired by the President & Director, is held once a month in principle and comprised of Directors who are not Audit & Supervisory Committee Members

(excluding Outside Directors), Executive Officers (Company Presidents of Domestic and International Business Companies and Executive General Managers of Headquarters).

Business Promotion Conference:

The Company holds Business Promotion Conferences for prompt and appropriate operation of domestic and international businesses and enhanced cooperation among divisions. The conferences are chaired by the Company President of Domestic or International Business Company and attended by the heads of sales, development, quality assurance, service divisions therein and heads of manufacturing, to formulate and promote business strategies, confirm progress of business plans, and enhance collaboration among divisions.

Other Management Committees:

The Company has established the following management committees for appropriate corporate management and the outcome of deliberations by each committee are reported to the Board as necessary:

- (i) Risk Management Committee, chaired by the President, to prevent the emergence and mitigate the impact of assumed risks facing the Group, and minimize losses and facilitate an early recovery in the event of a crisis
- (ii) Compliance Committee, chaired by the President, to ensure and promote legal compliance across the Company
- (iii) Disclosure Committee, chaired by the IR officer, to ensure timely and fair disclosure of corporate information, and
- (iv) Sustainability Committee, chaired by the President, to promote initiatives that contribute to a sustainable society.

Internal Audit Department:

The Company has in place the Internal Audit Department, consisting of 13 members, directly under the Audit & Supervisory Committee. The Internal Audit Department audits and evaluates on the operation of the Group's internal controls and the effectiveness of its risk management, including the area of financial results to ensure its credibility.

For effective auditing, the Internal Audit Department formulates annual audit plans based on the results of risk assessment conducted and the operation of the Company's internal control system in the previous year, and providing guidance and advice on the areas that need addressing.

The Internal Audit Department communicates regularly with the Subsidiaries' internal audit departments.

The Internal Audit Department reports regularly to the Audit & Supervisory Committee on audit results, with discussions on findings and the status of corrective actions. The Internal Audit Department may also report directly to the President & Representative Director and the Board.

In addition, the Internal Audit Department engages in regular and ad-hoc discussion with the Accounting Auditor.

Accounting Auditor:

The Company has appointed Deloitte Touche Tohmatsu ("Tohmatsu") as the Accounting Auditor since June 2007. There are no material conflicts of interest between the Company, Tohmatsu, and its staff engaged in the Company's audits. In addition, Tohmatsu has a policy in place to limit the involvement of its audit staff in the Company's audit to a fixed period.

[Regarding agreements for limitation of liability]

For Directors other than executive Directors, etc. to fully perform their expected roles, the Articles of Incorporation of the Company provide that the Company may enter into agreements with them to the effect that liability of Directors be limited. With this stipulation, the Company has concluded an agreement with each of the Company's Outside Directors to the effect that their liabilities may be limited in accordance with Paragraph 1, Article 427 of the Companies Act.

The details of the agreement are as follows:

- Director shall be liable for damages up to the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act, should he or she become liable for damages caused to the Company as a result of negligence in the performance of his or her duties.

- The liability limitation described above shall be applicable in cases where a Director performed his/her duties that cause of liability in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System

The Company believes that it is important to accelerate and streamline its decision-making on important management matters and strengthen the monitoring of its corporate management. To this end, the Company has adopted a corporate structure of “Company with Audit & Supervisory Committee” under the Companies Act, to delegate decisions regarding the execution of certain kinds of operations to Directors. In addition, the Company has employed an Executive Officer system to increase speed and efficiency of business management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and to Facilitate Exercise of Voting Rights

Updated

	Supplementary Explanations
Early notification of General Meeting of Shareholders	To enable shareholders to adequately review proposals addressed at ordinary general meetings of shareholders, the Company has delivered convocation notice of its general meeting of shareholders three weeks in advance since June 2008, and disclosed it on the websites of the TSE and the Company four weeks in advance since June 2015.
Electronic exercise of voting rights	The Company has adopted electronic voting system since its Ordinary General Meeting of Shareholders held in June 2003 to facilitate the exercise of its shareholders' voting rights.
Electronic voting platform	The Company has participated in the electronic voting platform for institutional investors operated by ICJ, Inc. since its Ordinary General Meeting of Shareholders held in June 2007.
Convocation notice in English	The convocation notices of general meetings of shareholders are available in English on the websites of the TSE and the Company.
Others	To facilitate the understanding of shareholders at the Company's general meetings of shareholders, the Company uses audio-visual presentations with photos and graphic charts in its business reports, etc., and responds to questions raised by its shareholders in an attentive and comprehensible manner. Since the 77th Ordinary General Meeting of Shareholders held in June 2023, the Company has held our shareholders meetings in a hybrid-style with live streaming for our shareholders to view the meetings online. Since 2025, the Company has invited its shareholders to submit their questions online, prior to the 79th Ordinary General Meeting of Shareholders held in June 2025.

2. Investor Relations (“IR”) Activities **Updated**

	Supplementary Explanations	Briefing by representative director or representative executive officer
Formulation and publication of disclosure policy	The Company has formulated the Policies concerning Disclosure of Information and Constructive Dialogue with Shareholders and Investors available at: https://corporate.glory-global.com/ir/management/policy/	
Regular investor briefings for individual investors	The Company presents its business strategies, etc. through investor presentations or/and exhibition at IR events. The Company’s website has a sector for private investors where corporate profile and business details are explained in plain terms. https://www.glory.co.jp/ir/kojin/ (available in Japanese only)	
Regular investor briefings for analysts and institutional investors	After the announcements of its quarterly financial results, the Company held briefing sessions for its stakeholders in which the President explained the earnings results and recent business developments of the Company. In FY2025, the Company held an “IR Day” for institutional investors and other stakeholders in a hybrid format combining in-person and online participation, at which the President and business heads of the Company’s international and domestic operations presented the Group’s Long-Term Growth Story which outlines our business strategies looking ahead to social changes over the next decade.	✓
Regular Investor Briefings held for overseas investors	The Company participates in sessions and events hosted by securities companies for overseas investors while promoting IR initiatives targeted to overseas investors.	✓
IR disclosure on website	The following materials are available on the Company’s website: https://corporate.glory-global.com/ir/ - “Timely disclosure” materials including financial results - Annual securities reports - Half-year reports - Convocation notices for general meetings of shareholders - Newsletters to shareholders - Annual reports - Integrated reports English Disclosure: Available https://corporate.glory-global.com/ir/	
Department and/or manager in charge of IR	Corporate Communications Department of the Management Strategy Headquarters Dedicated IR Personnel: Assigned Contact Number: +81-79-297-8077	

3. Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanations
Internal rules for respecting the positions of stakeholders	The Company has formulated “Corporate Philosophy”, “Our Values”, and “Corporate Action Guidelines”, which stipulate that all stakeholders, including shareholders, customers, suppliers, employees, business partners, and local communities, be respected.
Environmental activities, CSR activities etc.	<p>The Company has in place its sustainability policy: “Promote initiatives aimed at contributing to the sustainable growth of society and enhancing corporate value.” and has identified its material issues in the areas of <i>Environment</i>, <i>Society</i>, <i>Governance</i>, and <i>New Value Creation</i>, for which it implements priority measures towards set targets.</p> <p>In the area of <i>Environment</i>, “Reduction of greenhouse gas emissions” is the top priority material issue. We have set our targets based on the SBT (Science Based Targets) and promoted the Group-wide initiatives to aim for net-zero CO₂ emissions (Scope 1 and 2) by FY2050. We have advanced initiatives based on the concept of the Science Based Targets (SBT) framework by setting emissions reduction targets grounded in scientific evidence. In November 2025, we committed to the Science Based Targets initiative (SBTi) and are currently proceeding toward formal validation of our targets under the initiative. We have also set reduction targets for Scope 3 emissions across our value chain and are promoting initiatives. Going forward, we continue our scenario analysis in line with the TCFD recommendations which we have supported since 2021, and our information disclosure on risks, opportunities, financial impacts, as well as the measures to be taken.</p> <p>The material issues identified in the area of <i>Society</i> is “Respecting human rights”. The Company formulated the Glory Group Human Rights Policy in April 2024, in accordance with the UN Guiding Principles on Business and Human Rights. Through due diligence and remediation mechanism, we continue to promote our Group-wide initiatives and corporate management that promote and protect human rights.</p> <p>For details, see our latest integrated report and the sustainability sector of our website: https://corporate.glory-global.com/csr/</p>
Policies on information provision to stakeholders	The Company has in place a set of information disclosure policies, under which the Company promotes timely disclosure of its financial information, management strategies, and other information considered effective in enhancing stakeholders’ understanding of the Group’s business, transparency, fairness, and continuity of such disclosure, and strives to ensure transparency, fairness, and continuity of such disclosure.
Others	<p>The Company promotes DE&I by the following to create a work environment that respects its employees’ diversity, personality, and individuality to fully leverage their skills, abilities, careers, and experiences:</p> <ol style="list-style-type: none"> (1) Developing human resources to further accelerate the globalization of the Group’s business (2) Promoting women's empowerment (3) Leveraging skills and knowledge of employees who are re-employed after their official retirement from the Company (4) Promoting employment of people with disabilities <p>To promote women’s empowerment in the workplace, the Company provides training for their career development, encourages their participation in year-round programs that involves individuals from different industries, and offers programs to support their optimum work-life balance. The Company has obtained the Next-Generation Certification Mark “Kurumin” from Japan’s Minister of Health, Labor and Welfare, the certificate given to companies that promote initiatives to support</p>

	employees raising children. The Company has an in-house daycare center named “Glory Kids Home” on the premises of the Himeji Headquarters to support its employees with their childcare and their career development. The Company has been included in the Certified Health and Productivity Management Organizations (large enterprise category) since 2020.
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and its Current Status

Pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company has formulated the “Basic Policy on the Internal Control System” as below, as per the resolution made by the Board on May 10, 2024 :

(1) Systems to ensure that the execution of duties by directors and employees of the Group complies with the laws and regulations and the Articles of Incorporation

- a. The Group’s corporate philosophy “Building a more secure world through global efforts and collaboration” expresses the Group’s mission to contribute to the development of the society and grow as a sustainable company through its strong commitment to product development. Under this philosophy, the President and the Directors take the lead to ensure that the Group practices business management and promotes its corporate activities in compliant with the laws and regulations and social ethics, so that the Group is able to co-exist in harmony with society and build relationships of trust with its stakeholders. Further, the Company’s Corporate Governance Guidelines stipulate basic concepts and policies on the Group’s corporate governance.
- b. The Company’s Board of Directors (the “Board”) makes decisions on important matters and supervises Directors’ execution of their duties in accordance with applicable laws and regulations, the Articles of Incorporation, and the Company’s Rules of the Board of Directors.
- c. The Company has established the Nomination Advisory Committee and the Compensation Advisory Committee, which support and supervise the Board’s deliberations from an independent standpoint, thereby ensuring transparency and objectivity in the process of nomination of Directors and Executive Officers and decision-making on their remuneration.
- d. The Audit & Supervisory Committee audits and supervises, from an independent standpoint, Directors’ execution of duties, including development and implementation of the Company’s internal control system.
- e. The Company has established the Compliance Committee chaired by the President, of which members including outside experts deliberate on compliance matters and report the results of deliberations to the Board.

In addition, the Board appoints a Chief Compliance Officer from among Directors or Executive Officers, who, in liaison with the Compliance Committee Secretariat, formulates and implements measures, supervises the Company’s compliance management, and provides training for employees.

- f. The Company has established the following whistleblowing hotlines for the Group’s compliance matters: (1) Line manager in whistleblower’s organization; (2) The Compliance Committee Secretariat; (3) External consultation services (law firms); and (4) External consultation services (consulting firms). The helplines are intended to identify problems at an early stage to minimize possible damage, while protecting whistleblowers in accordance with the Glory Group Whistleblowing Code of Practice.
- g. The Company’s Legal Code of Conduct stipulates, as its basic policy, that the Company prohibits any and all relationships with antisocial forces, affords no benefits whatsoever thereto under any name, and works closely with relevant authorities against such threats. As the supervisory body, the Company’s general affairs division designates managers who work in liaison with the Company’s domestic branch offices and works proactively to participate in seminars held by the authorities to collect necessary information, implement training for Directors and employees as needed, and respond to emergencies in liaison with external legal counsel and the authorities.

- (2) System regarding retention and management of information related to Directors' execution of duties
 - a. With regard to the retention and management of information related to Directors' execution of duties, the Company's Document Management Rules stipulates the documents to be retained, retention period, and a person in charge of document management.
 - b. Directors may at any time access information necessary for their execution of duties, such as the Board meeting minutes.
 - c. The Rules on Information Security are stipulated and enforced to ensure appropriate preservation and management of information.
- (3) Rules and other systems related to management of the risk of loss to the Group
 - a. The Company has formulated the Risk Management Manual and the Crisis Management Manual formulated pursuant to the Company's Risk Management Rules, for the Group to take appropriate measures to prevent risks, minimize losses, and enable prompt recovery in times of crisis.
 - b. The Company has established the Risk Management Committee as an organ to supervise the Group's risk management. The committee designates a responsible division and a person/s to implement preventative measures for each risk item identified. In addition, the Company has established crisis management systems to facilitate prompt responses in times of crisis.
- (4) Systems to ensure efficient execution of duties by directors, officers and employees of the Group
 - a. The Board holds monthly meetings and extraordinary meetings as necessary to make decisions regarding the Company's basic policies and other important management matters, and to supervise the Directors' execution of duties.
 - b. To ensure efficient execution of duties, the Company has stipulated in the Articles of Incorporation that some important business decisions may be delegated from the Board to the Directors as necessary. In addition, the Company has employed an Executive Officer system to delegate certain business execution authorities to its Executive Officers.
 - c. The Company has formulated the 2026 Medium-Term Management Plan, which stipulates policies and targets to be followed by the Company's Directors and employees to ensure appropriate and efficient business operations pursuant to the strategies outlined therein.
 - d. The Company's Rules on Approval Authority defines responsibilities and authorities of organizations and hierarchy of the Company and its subsidiaries and delegates authority thereunder to enable prompt and appropriate decision-making.
- (5) System to ensure properness of operations of the Group
 - a. The Company designates an officer responsible for the Group's compliance matters, who promotes awareness among officers and employees of Subsidiaries and ensures their compliance with the GLORY Legal Code of Conduct and other internal rules of Subsidiaries.
 - b. The Audit & Supervisory Committee meets regularly and as needed with the corporate auditors of Subsidiaries, and liaises with the Company's Internal Audit Department positioned directly under the Committee and the Accounting Auditor to ensure effective and appropriate supervision and auditing of the Group's business operations and management.
 - c. The Company ensures that Subsidiaries obtain approvals of the Company's Board on important matters such as their business strategies, basic management policies, and earnings plans and report on quarterly financial results and other essential matters to enable appropriate business operations.
 - d. The Company appoints, as necessary, its Directors and Executive Officers, etc. to directors or corporate auditors of Subsidiaries, with whom the Company works together to enhance the corporate values and internal control system of the Subsidiaries pursuant to the Regulations on Subsidiary Governance and other applicable rules.
 - e. The Internal Audit Department positioned directly under the Audit & Supervisory Committee conducts internal audits to evaluate effectiveness and adequacy of the Group's internal control systems. Audit reports are made promptly and directly to the Audit & Supervisory Committee and the President.
 - f. The Company's Management Planning Department designates the Company's divisions that govern each Subsidiary and provides guidance on Subsidiary governance in liaison with the Company's HR, Legal, General Affairs, Information Security, Accounting, and Finance Departments. (collectively the

“Corporate Affairs Divisions”) to ensure effective management and internal controls in Subsidiaries. The governing divisions are responsible for the corporate management of the governed Subsidiaries in liaison with the Management Planning Department and the Corporate Affairs Divisions.

- g. The Company reinforces effective internal controls through Information Technology or/and other measures to ensure that no false statements, errors, or similar incorrect entries are existent in its financial reports.
 - h. The Company has in place its Internal Control Evaluation Committee, which works to maintain effectiveness of the Company’s internal control systems in liaison with relevant departments and ensures that the Company’s financial statements are prepared as required by the Financial Instruments and Exchange Act. The President receives regular reports from Directors and employees on internal control systems applied in the process of financial reporting.
- (6) Particulars regarding employees who assist the Audit & Supervisory Committee with its duties and their independence from Directors who are not Audit & Supervisory Committee Members
- a. Upon consultation with the Audit & Supervisory Committee, the Board assigns employees who have the knowledge required by the Committee to assist the Committee with its execution of duties (the “Committee Support Officers”).
 - b. The Committee Support Officers perform their duties as directed by the Audit & Supervisory Committee and are permitted to concurrently assume the office of corporate auditor of Subsidiaries.
 - c. The Audit & Supervisory Committee is delegated the rights to direct the Committee Support Officers during the period designated thereby to ensure independence of the Committee Support Officers, who will not receive any directions or orders from Directors who are not Audit & Supervisory Committee Members.
 - d. Any decisions on appointments, transfers, or personnel affairs regarding the Committee Support Officers are subject to prior consent of the Audit & Supervisory Committee.
- (7) System for directors and employees of the Group to report to the Audit & Supervisory Committee
- a. The Company’s Directors who are not Audit & Supervisory Committee Members, employees or Subsidiaries’ directors, corporate auditors or employees, or any person who has received a report from any of the foregoing persons (the “Directors and Employees, Etc.”) report promptly to the Audit & Supervisory Committee on any matters that may cause material damage to the Group, or on facts that fraudulent conduct or material violation of laws, regulations, or the Articles of Incorporation has occurred or is likely to occur.
 - b. The Group prohibits the Directors and Employees, Etc. to be given disadvantageous treatment on the grounds of having made a report as set out in (7) a.
 - c. The Audit & Supervisory Committee may request reports or/and information from the Directors and Employees, Etc. and inspect meeting materials or/and records as necessary, to which the Directors and Employees, Etc. must immediately and appropriately respond.
- (8) Other systems to ensure effective execution of audits by the Audit & Supervisory Committee
- a. Directors who are Audit & Supervisory Committee Members are entitled to attend meetings which deliberate on execution of material duties of Directors who are not Audit & Supervisory Committee Members.
 - b. The Company positions the Internal Audit Department directly under the Audit & Supervisory Committee to facilitate direct reporting to the Committee to ensure effective and appropriate monitoring and auditing of the Group, while the Audit & Supervisory Committee liaises with the Accounting Auditor to improve effectiveness of audits.
 - c. The Company’s Representative Directors regularly meet with the Audit & Supervisory Committee to deliberate on issues and risks that need addressing, as well as on the systems and processes applied for the audits conducted by the Audit & Supervisory Committee and material issues pertaining thereto.
 - d. The Audit & Supervisory Committee may leverage the expertise of external specialists such as certified public accountants, attorneys-at-law, consultants as necessary in its execution of duties.
 - e. The Company will bear any expenses or debts claimed by the Audit & Supervisory Committee in its execution of duties, unless the Board judges unnecessary.

2. Basic Views on Eliminating Anti-Social Forces

The Company's Legal Code of Conduct stipulates, as its basic policy, that the Company blocks any and all relationships with antisocial forces, affords no benefits whatsoever thereto under any name, and works closely with relevant authorities against such threats. The Company's general affairs division, as the supervisory body, designates managers to work with the Company's branch offices. The general affairs division proactively participates in seminars held by the authorities to collect necessary information, implements training for Directors and employees as needed, and responds to emergencies in liaison with external legal counsel and the authorities.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
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Supplementary Explanation

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2. Other Matters Concerning to Corporate Governance System

Other matters concerning the corporate governance system are as follows:

(1) Basic disclosure policy

a. Basic disclosure policy

The Company commits to the philosophy of “*communicating with stakeholders and striving for appropriate information disclosure*” defined in its Corporate Action Guidelines. Based on this philosophy, the Company strives to enhance the transparency of its management through prompt, accurate and fair means of providing the latest corporate information and to gaining a better understanding of its management policies and business activities through constructive dialogue, thereby building long-term relationships of trust with shareholders and investors.

b. Information disclosure standards

The Company discloses its corporate information in accordance with the Companies Act, Financial Instruments and Exchange Act, other applicable laws and regulations, and the timely disclosure rules set forth by the Tokyo Stock Exchange where the Company's stock is listed (the “Timely Disclosure Rules”). Further, with respect to the corporate information that is not subject to the Timely Disclosure Rules, including non-financial information, the Company endeavors to voluntarily disclose such information taking into consideration the timeliness and fairness of disclosure, to the extent that the Company believes such disclosure is useful for shareholders and investors to reach investment decisions.

(2) Deliberation and disclosure procedures for corporate information

a. Information concerning facts that have occurred

Upon occurrence of major disasters or filing of lawsuits, or when similar events arise, information regarding such fact is immediately reported to the Disclosure Committee by the responsible department, then following deliberation by the Disclosure Committee, will be disclosed without any delay pursuant to a resolution of the Board or the direction of the President.

b. Information concerning facts that have been determined

Material information concerning the facts that have been determined by the Company is reported to the Disclosure Committee by the responsible department, then following deliberation by the Disclosure Committee, will be disclosed promptly after resolution of the Board.

c. Information concerning annual and quarterly financial results etc.

Information concerning annual and quarterly financial results etc. is reported to the Disclosure Committee by the responsible department, then following deliberation by the Committee, will be disclosed promptly after resolution of the Board.

d. Information concerning Subsidiaries

Material information concerning Subsidiaries is reported to the Disclosure Committee by the responsible department, then following deliberation by the Committee, will be disclosed promptly after resolution of the Board.

(3) Deliberation and determination regarding information to be disclosed

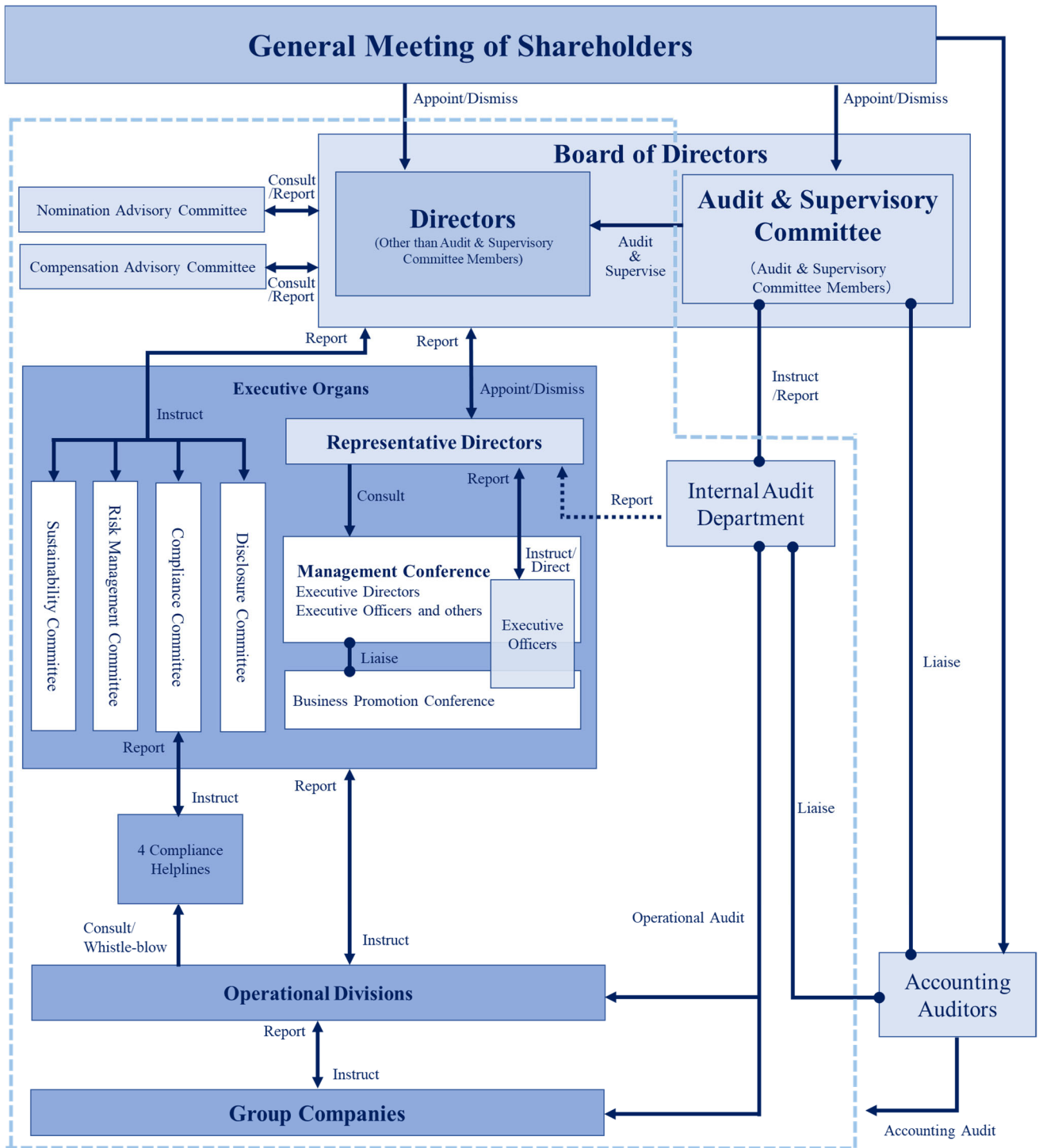
a. In the event that facts, etc. concerning the Company or any of the Subsidiaries that may require disclosure arise, the Company's Disclosure Committee will deliberate on the necessity, timeliness, and appropriateness of such disclosure. If it is determined that it is necessary to disclose such information, disclosure will be made pursuant to a resolution of the Board or the President. In the latter case, the President will report to the Board on the content of disclosed information and the reasons for disclosure.

b. Information concerning the facts that have been determined by the Company is disclosed by resolution of the Board, following deliberation by the Disclosure Committee. However, information requiring urgent disclosure may be disclosed by a resolution of the President. In such a case, the President will report to the Board the content of disclosed information and the reasons for disclosure.

(4) Chief Information Officer (the "CIO") and its role

The Company's officer involved in the management is appointed to the position of CIO stipulated in the Timely Disclosure Rules. The CIO assumes the duties stipulated in the Timely Disclosure Rules and, in consultation with the Tokyo Stock Exchange, endeavors to ensure the Company's optimal information disclosure.

Corporate Governance Framework



Disclosure Framework

