

May 10, 2024



News Release

Company Name:	GLORY LTD.
Representative:	Akihiro Harada, President
Headquarters:	3-1, Shimoteno 1-chome, Himeji, Hyogo, JAPAN
Securities Code:	6457
Stock Exchange:	Tokyo (Prime)
Accounting Term:	March

### **Issuance of Sustainability-linked Bonds**

GLORY LTD. (the "Company") hereby announces that it plans to issue Sustainability-linked Bonds\*<sup>1</sup> (the "Bonds"), and has submitted amended shelf registration statements for corporate bonds to the Kanto Local Finance Bureau today (May 10, 2024) for the issuance of Sustainability-linked Bonds.

#### 1. Purpose and background of the issuance

The Company Group uses CO<sub>2</sub> emissions as key metrics for climate-related risks and opportunities. Based on the metrics, we have set FY2050 Environmental Goals towards net-zero CO<sub>2</sub> emissions in Scope 1 and 2 by FY2050 as well as 2030 Environmental Goals by casting back from FY2050 milestone. Upon formulation of the Group's 2026 Medium-term Management Plan (April 2024 - March 2027), we have reviewed our long-term environmental targets to be re-set based on the certification criteria of the SBT (Science Based Targets) initiative. Regarding CO<sub>2</sub> emissions from business activities (Scope 1 and 2), we have revised our reduction target to 42.4% (vs. FY2022) to promote global efforts.

The Company has developed a Sustainability Linked Finance Framework (the "Framework") to raise funds to promote sustainability management and work toward realizing a sustainable society. Through the issuance of the Bonds based on the Framework, the Company will work to further promote sustainability management, aiming to realize a sustainable society and increase corporate value.

#### 2. Overview of the Bonds

Maturity	5 years (plan) 10 years (plan)
Amount	5 years bonds: 10.0 billion yen (plan) 10 years bonds: 10.0 billion yen (plan)
Period of issuance	June 2024 (plan)
KPI	Ratio of reduction in CO <sub>2</sub> emissions (Scope 1 and 2) at the Company and its domestic and overseas consolidated subsidiaries
SPT* <sup>2</sup>	5 years bonds: 26.5% reduction by FY2027 (vs. FY2022) Assessment date: October 31, 2028 10 years bonds: 42.4% reduction by FY2030 (vs. FY2022) Assessment date: October 31, 2031

Characteristics of the Bonds	<p>If the SPT is not achieved as of the assessment date, the Company will implement either (1) or (2) below by the redemption date of the Bonds.</p> <p>(1) Donation If the SPT is not achieved, the Company will donate an amount equivalent to 0.1% of the Bonds amount by the redemption date of the Bonds to a public interest incorporated association, a public interest incorporated foundation, an international institution, a local government authorized NPO, a local government, and similar organizational entities that are addressing climate change.</p> <p>(2) Purchase emission rights If the SPT is not achieved, the Company will purchase emission rights (J-Credits and Non-fossil certificate) or Green Power Certificates in an amount equivalent to 0.1% of the Bonds amount by the redemption date of the Bonds. However, if the Company is prevented from purchasing emission rights due to force majeure, the Company will donate as described in (1) above.</p>
Lead underwriters	Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd.
Structuring agent* <sup>3</sup>	Nomura Securities Co., Ltd.

### 3. Compliance of Sustainability-linked Bonds

The Company has formulated the Framework based on Sustainability Linked Bond Principles 2023, as defined by the International Capital Markets Association (ICMA), Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), Loan Syndication & Trading Association (LSTA) Sustainability Linked Loan Principles 2023, Sustainability Linked Bond Guidelines 2022 and Sustainability Linked Loan Guidelines 2022 by the Ministry of Environment. The Company has obtained a third-party opinion from Rating and Investment Information, Inc. (R&I) to the effect that the Framework complies with the above.

- Sustainability Linked Bond Framework (*Japanese language only*)  
[https://www.glory.co.jp/files/user/csr/pdf/SLB2024\\_framework.pdf](https://www.glory.co.jp/files/user/csr/pdf/SLB2024_framework.pdf)
- R&I's Second Party Opinion (*Japanese language only*)  
<https://www.r-i.co.jp/rating/esg/index.html>
- Addressing climate change of the Company Group (*Reference*)  
[https://www.glory.co.jp/csr/environment/climate\\_change/](https://www.glory.co.jp/csr/environment/climate_change/)

(\*1) Sustainability-linked bonds

Bonds whose terms vary depending on whether predetermined sustainability or ESG targets are achieved or not. The issuer of the sustainability-linked bonds commits to future improvements in sustainability outcomes with a pre-defined timeline. Specifically, sustainability-linked bonds are financial instruments based on the evaluation of future performance using key performance indicators (KPI) and sustainability performance targets (SPT) determined in advanced by the issuer. The terms of the bonds vary depending on whether the SPT set as a target to be achieved with respect to the KPI is achieved.

(\*2) Sustainability performance target (SPT)

A target based on the issuer's management strategy which determines the terms of issuance of the sustainability-linked bonds.

(\*3) Structuring agent

An entity that supports the introduction of green bonds through the establishment of a framework for sustainability-linked bonds, the provision of advice on obtaining second opinions, and other means.

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**About GLORY LTD.**

GLORY LTD., headquartered in Himeji, Japan, is a pioneer in the development and manufacture of cash handling machines and systems. GLORY provides a variety of products built on its leading-edge recognition/identification and mechatronics technology, such as cash handling machines, cash management systems, vending machines, and automatic service equipment. Committed to meeting society's wide-ranging needs, GLORY serves the financial, retail, vending machine, amusement and gaming industries in more than 100 countries. For more information, please visit GLORY Group website at <https://corporate.glory-global.com/>.

**Contact:**

Shigenobu Nishida  
General Manager  
Corporate Communications Department  
Management Strategy Headquarters  
Tel: +81-79-297-3131