










Gunze's Materiality

Having identified the risks and opportunities related to important social issues, we have set materiality as the priority theme that will contribute to resolving these issues by leveraging the Gunze Group's businesses and strengths. Through measures and initiatives designed to realize materiality,

we aim to become a sustainable company that contributes to society and achieves sustainable growth for the Group by working to balance economic value and social value.

We Aim to Be a Sustainable Company

Materiality	Our Measures	Gunze's Timeline
Creation of New Value	<ul style="list-style-type: none"> Creation of new businesses and continued growth of existing businesses (including M&A) 	Medium term
	<ul style="list-style-type: none"> Offering new products/services designed with enhanced sustainability in mind   	Short term
Evolution of Corporate Constitution	<ul style="list-style-type: none"> Establishing a corporate culture that empowers diverse talent 	Long term
	<ul style="list-style-type: none"> Promoting employee mindset/duties transformations through work style reforms 	Medium term
	<ul style="list-style-type: none"> Transforming business processes through proactive use of digital technology (covering all business processes, including production, sales, development, logistics, back-office, etc.) 	Medium term
Environmentally Responsible Management	<ul style="list-style-type: none"> Reducing environmental impact from business activities  	Long term
Capital Cost-focused Management	<ul style="list-style-type: none"> Strategic allocation of management resources 	Medium term
	<ul style="list-style-type: none"> Achieving a positive GVA value by improving capital efficiency 	Medium term

Initiatives and KPIs (Fiscal 2024 Targets)
<p>New business-related</p> <ul style="list-style-type: none"> Commercialization of functional films such as films for next-generation lithium batteries <p>Development of environmentally friendly products</p> <p>Value creation from resource circulating-type films</p> <ul style="list-style-type: none"> Expand sales of biomass plastic products Expand sales of low-specific gravity polyolefin products Development of films to reduce food waste
<p>Net sales of medical-related products</p> <ul style="list-style-type: none"> Sales of new medical products For details: P. 22 → Special Feature 1 <p>Net sales of wellness and health category products</p> <ul style="list-style-type: none"> Lifestyle-oriented products Health category products For details: P. 42 → Apparel Business
<p>D&I promotion (Promotion of women's empowerment, re-employment system, etc.)</p> <ul style="list-style-type: none"> Ratio of women in managerial roles: 6% or higher Ratio of female employees in the workforce: 35% Paternity leave utilization rate: 50% <p>Initiatives for Respecting Human Rights</p> <ul style="list-style-type: none"> Conduct human rights due diligence on the Company and its major business partners <p>Strengthening of risk response capabilities</p> <ul style="list-style-type: none"> Holding of Risk Management Committee meetings: Four times
<p>Building of personnel system, improvement of working environments</p> <ul style="list-style-type: none"> Improvement of engagement score: 70 points (estimate) Annual leave utilization rate: 75% Productivity improvement through mindset, duty, and office transformations Streamlining of business processes by utilizing online meetings <p>Improvement of productivity in all areas, including production, by utilization of AI, IoT, sensing technologies, etc.</p> <ul style="list-style-type: none"> Productivity improvement rate (P value)*: 103% * Gunze's own productivity metric over the previous year
<p>CO₂ emissions reduction rate</p> <ul style="list-style-type: none"> Reduction versus FY2013 Scope 1 + 2* (Domestic + overseas): 28% or higher * Gunze Group total Starting Scope 3 calculation, setting targets by FY2024 <p>Per-unit energy consumption reduction rate (vs. previous year): 1% per year or higher</p> <ul style="list-style-type: none"> Construction of Circular Factory: Plastic film, MoriYama Plant (Shiga Prefecture) For details: P. 26 → Special Feature 2 Construction of Net Zero Carbon Factory: Apparel, Yanase Plant (Hyogo Prefecture) For details: P. 42 → Apparel Business
<p>Focused investment of management resources in growth businesses and growth areas</p> <ul style="list-style-type: none"> Environment-related investment: 8.6 billion yen Acquisition of new targets by expanding channels EC+SPA sales ratio: 24% Business expansion through business alliances and M&A <p>Restructuring of low-growth businesses and fields</p> <ul style="list-style-type: none"> ROE 6.3% or higher Positive Company-wide GVA For details: P. 34 → Financial Capital Strategy

Medium- to Long-Term Themes and Major Promotion Items for Sustainable Management —2030~2050—
Response to climate change
Resource recycling society
Sustainable procurement
Wellness and health
Consideration for people and society

1 Weaving Gunze's DNA into the Future
2 Gunze Value Creation Story
3 Sustainable Management Strategies
4 Value Creation Performance
5 Governance for Stable Management
6 Data