

## Consolidated Financial Statements – Summary (Year ended March 31, 2023)

This document is an English translation of the Japanese-language original. All financial information has been prepared in accordance with accounting principles generally accepted in Japan.

Company Name:	GUNZE LIMITED
Securities Code:	3002
Stock Market Listings:	Tokyo
URL:	<a href="https://www.gunze.co.jp/">https://www.gunze.co.jp/</a>
Representative:	Toshiyasu Saguchi, President and Representative Director
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Ordinary General Meeting of Shareholders (Scheduled):	June 23, 2023
Start of Distribution of Dividend (Scheduled):	June 26, 2023
Filing of Securities Report ( <i>Yuka shoken hokokusho</i> ) (Scheduled):	June 26, 2023
Preparation of Supplementary Materials for the Financial Results:	Yes
Holding of Presentation of Financial Results:	Yes (for institutional investors/analysts)

### 1. Consolidated Operating Results for FY2022 (April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

(Amounts less than one million yen are omitted)

(Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2022	136,030	9.4	5,812	19.1	6,021	11.5	4,501	53.1
FY2021	124,314	—	4,880	—	5,399	—	2,939	—

Note: Comprehensive income

FY2022: ¥6,319 million [89.6%]

FY2021: ¥3,332 million [(60.0)%]

	EPS	Diluted EPS	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	¥	¥	%	%	%
FY2022	261.38	260.75	3.9	3.7	4.3
FY2021	168.93	168.43	2.6	3.4	3.9

Reference: Equity in income of affiliated companies: FY2022: — FY2021: —

Note: GUNZE has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other related standards. Accordingly, year-over-year increases/decreases (%) of the figures for the fiscal year ended March 31, 2022 are not provided.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
FY2022	165,927	117,691	69.8	6,789.78
FY2021	158,216	114,790	71.4	6,535.42

Reference: Total equity

As of March 31, 2023: ¥115,757 million

As of March 31, 2022: ¥112,903 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ millions	¥ millions	¥ millions	¥ millions
FY2022	1,794	(5,920)	1,007	11,547
FY2021	9,155	6,806	(12,358)	14,469

## 2. Dividends

	Annual dividends per share (¥)				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
FY2021	—	—	—	140.00	140.00
FY2022	—	—	—	147.00	147.00
FY2023 (projected)	—	—	—	150.00	150.00

	Total cash dividends paid	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	¥ millions	%	%
FY2021	2,418	82.9	2.2
FY2022	2,505	56.2	2.2
FY2023 (projected)		53.3	

## 3. Projected Results for FY2023 (April 1, 2023 to March 31, 2024)

	Net sales		Operating profit		Ordinary profit	
	¥ millions	%	¥ millions	%	¥ millions	%
FY2023 full year	140,000	2.9	7,500	29.0	7,500	24.6

	Profit		EPS
	¥ millions	%	¥
FY2023 full year	4,800	6.6	281.54

## Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries during the period accompanied by changes in the scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement after error corrections
  - (a) Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - (b) Changes in accounting policies other than (a) above: No
  - (c) Changes in accounting estimates: No
  - (d) Restatement after error corrections: No
- (3) Number of shares issued and outstanding (common stock)
  - (a) Number of shares at the end of period (including treasury stock):  
FY2022: 17,293,516 shares  
FY2021: 18,293,516 shares
  - (b) Treasury stock at the end of period:  
FY2022: 244,692 shares  
FY2021: 1,017,897 shares
  - (c) Average number of shares during the period:  
FY2022: 17,220,646 shares  
FY2021: 17,400,635 shares

## (Reference) Summary of Non-consolidated Results

Non-consolidated Operating Results for FY2022 (Apr. 1, 2022 to Mar. 31, 2023)

### (1) Non-consolidated Operating Results

(Percentages represent year-over-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FY2022	98,192	8.9	1,899	1,920.2	7,508	152.5	5,725	237.0
FY2021	90,134	—	94	—	2,974	—	1,699	—

	EPS	Diluted EPS
	¥	¥
FY2022	332.45	331.66
FY2021	97.69	97.40

Note: GUNZE has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other related standards. Accordingly, year-over-year increases/decreases (%) of the figures for the fiscal year ended March 31, 2022 are not provided.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ millions	¥ millions	%	¥
FY2022	140,192	109,620	78.1	6,422.46
FY2021	134,257	106,315	79.1	6,146.48

Reference: Total equity

FY2022: ¥109,495 million

FY2021: ¥106,184 million

- \* This summary of consolidated results is exempt from the audit procedures by certified public accountants or an audit corporation.
- \* Notes regarding the proper use of projections of the results and other matters  
Projections of results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results and notes regarding the use of projections, see (4) “Outlook for FY2023” of “1. Results of Operations” on page 5 of attached materials.

(Attachment)

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# 1. Results of Operations

## (1) Analysis of Full-Year Results

(Overview of FY2022)

In the fiscal year that ended March 31, 2023, the Japanese economy was largely on a recovery track, as social and economic activities moved toward normal primarily owing to the easing of restrictions on activities due to COVID-19. The economic outlook, however, remains unclear, what with rising prices due to soaring raw material and fuel prices as the situation in Ukraine prolongs and unstable exchange rate fluctuation.

Amid this operating environment, the GUNZE Group set about pursuing four basic strategies of “Creation of new value,” “Capital cost-focused management,” “Evolution of corporate constitution,” and “Environmentally responsible management,” to kick off its new medium-term management plan, “VISION 2030 stage 1” The Company also promoted business structure reforms, including the transfer of the film business in electronic components and the reorganization of the production bases in legwear.

By segment, the functional solutions business performed strongly overall, although the soaring raw material and fuel prices had an impact on the business. In the apparel business, exchange rate fluctuations and skyrocketing raw material and fuel prices had an impact on the business, despite the ongoing recovery trend in sales. The lifestyle creations business, on the other hand, performed strongly thanks to the redevelopment of idle land.

Consequently, for the fiscal year under review, net sales increased by 9.4% compared to the previous fiscal year to ¥136,030 million; operating profit increased by 19.1% compared to the previous fiscal year to ¥5,812 million; ordinary profit increased by 11.5% compared to the previous fiscal year to ¥6,021 million; and profit attributable to owners of parent increased by 53.1% compared to the previous fiscal year to ¥4,501 million on a consolidated basis.

(Results by Business Segment)

### [Functional Solutions]

In plastic film, sales of packaging films remained strong, although the soaring costs of utilities had an impact on business. In engineering plastics, products for the semiconductor market performed strongly. Electronic components bore the brunt of declining market conditions in its touch panel business. Medical materials remained firm partly owing to new product launches.

As a result of the above, the functional solutions business recorded net sales of ¥60,340 million (up by 7.5% compared to the previous fiscal year) and an operating profit of ¥8,918 million (up by 11.0% compared to the previous fiscal year).

### [Apparel]

The apparel business saw its sales grow overall as social and economic activities moved toward normal resulting in the recovery of the market, as well as brisk sales in e-commerce and the SPA channel but rising raw material prices and exchange rate fluctuations put downward pressure on profits. As such, the Company has begun revising its prices. In innerwear, molded boxers and the differentiated product line of foundation garments performed briskly. In legwear, while sales increased due to the recovery of the market, the Company began to re-examine its production structure in an effort to improve profitability.

As a result of the above, the apparel business recorded net sales of ¥60,986 million (up 6.6% compared to the previous fiscal year) and an operating loss of ¥222 million (compared to an operating loss of ¥557 million for the previous fiscal year).

### [Lifestyle Creations]

The real estate category recorded revenue growth as sales of an idle land redevelopment project were recorded. Both the shopping center and the sports club businesses are back on the recovery track following the lifting of pandemic restrictions.

As a result of the above, the lifestyle creation business recorded net sales of ¥15,327 million (up 32.4% compared to the previous fiscal year) and an operating profit of ¥705 million (up 55.5% compared to the previous fiscal year).

## (2) Analysis of Financial Position

### (Assets, Liabilities and Net Assets)

As of March 31, 2023, total assets were ¥165,927 million, an increase of ¥7,710 million compared to the end of the previous fiscal year. The main components of the increase included a ¥2,792 million increase in buildings and structure, net, primarily owing to the construction of a circular (resource recycling) factory in plastic films, a ¥2,753 million increase in merchandise and finished goods, a ¥2,073 million increase in other current assets (accounts receivable-other, etc.), a ¥1,424 million increase in raw materials and supplies, and a ¥1,116 million increase in retirement benefit asset, while the main components of a decrease were a ¥2,922 million decrease in cash and deposits and a ¥1,232 million decrease in deferred tax assets.

Total liabilities were ¥48,235 million, an increase of ¥4,810 million compared to the end of the previous fiscal year. The main components of the increase included a ¥5,416 million increase in long- and short-term borrowings and a ¥1,082 million increase in notes and accounts payable – trade, while the main components of a decrease included a ¥1,875 million decrease in income taxes payable and a ¥1,020 million decrease in other non-current liabilities (long-term lease liabilities, etc.)

Net assets were ¥117,690 million, an increase of ¥2,900 million compared to the end of the previous fiscal year. The main components of the increase included the recording of profit attributable to owners of parent amounting to ¥4,501 million, and a ¥1,070 million increase in valuation difference on available-for-sale securities, while the main components of a decrease were dividends paid of ¥2,418 million and ¥1,004 million spent for the purchase of treasury shares.

## (3) Summary of Cash Flows for FY2022

### 1) Cash Flows

As of March 31, 2023, consolidated cash and cash equivalents were ¥11,547 million, a decrease of ¥2,922 million compared to the end of the previous fiscal year. Below is an overview of cash flows and reasons for changes during the fiscal year under review.

Net cash provided by operating activities for the fiscal year under review totaled ¥1,794 million, a decrease of ¥7,360 million compared to the previous fiscal year. The major components of cash inflows included profit before income taxes of ¥6,389 million and depreciation of ¥5,760 million. The main components of cash outflows included a ¥4,228 million increase in inventories, income taxes paid of ¥2,877, and a ¥1,779 increase in other current assets (accounts receivable-other, etc.).

Net cash used in investing activities was ¥5,920 million, a decrease of ¥12,726 million compared to the previous fiscal year. The main components of cash inflows included proceeds from sale of investment securities amounting to ¥4,422 million, proceeds from sale of non-current assets amounting to ¥1,370 million, and proceeds from sale of businesses of ¥1,207 million. The main components of cash outflows included purchase of non-current assets amounting to ¥10,226 million, and purchase of investment securities amounting to ¥2,060 million.

Net cash provided by financing activities totaled ¥1,007 million, an increase of ¥13,365 million compared to the previous fiscal year. The main component of cash inflows was proceeds from long-term borrowings amounting to ¥6,600 million. The main components of cash outflows were repayments of long-term borrowings amounting to ¥2,455 million, ¥2,409 million spent for dividends paid, and purchase of treasury shares amounting to ¥1,004 million.

### 2) Cash Flow Indicator Trends

	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Equity ratio (%)	64.6	64.6	71.1	71.4	68.9
Equity ratio on market value basis (%)	47.7	38.7	46.0	40.9	46.1
Debt coverage ratio (years)	2.3	1.8	2.0	1.2	8.6

Interest coverage ratio (times)	49.5	59.0	77.6	61.3	7.8
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Notes:

The equity ratio is equal to shareholders' equity divided by total assets.

The equity ratio on a market value basis is equal to market capitalization divided by total assets.

The debt coverage ratio is equal to interest-bearing liabilities divided by operating cash flow.

The interest coverage ratio is equal to operating cash flow divided by interest payments.

- All of the above indicators are calculated based on consolidated financial figures.

- Market capitalization is calculated by multiplying the closing share price at the end of the period by the total number of shares issued and outstanding at the end of the period (excluding treasury stock).

- Operating cash flow equals the total net cash flows from operating activities as stated in the Consolidated Statements of Cash Flows. Interest-bearing liabilities include all liabilities on which interest is paid, as stated in the Consolidated Balance Sheets. Interest payments are equal to the interest paid as stated in the Consolidated Statements of Cash Flows.



#### **(4) Outlook for FY2023**

(Challenges the GUNZE Group should address)

More than three years have passed since the spread of COVID-19 began. While the spread of the infectious disease is finally being contained and social and economic activities are generally moving back to normal, the soaring prices of raw materials and fuels, as well as difficulties in procuring certain materials, are expected to continue, primarily due to the prolonged impact of Russia's invasion of Ukraine. Furthermore, concerns have been raised for a recession as a result of the interest rate hikes by the US and the uncertainty surrounding the management environment continues to prevail. The GUNZE Group intends to engage in initiatives to increase productivity, such as the promotion of automation at each of its businesses, strengthen cost competitiveness through an optimal global production system, and expand its network for the procurement of raw materials, while at the same time moving forward with activities to create new value that captures various market changes.

Furthermore, starting from fiscal 2023, to clarify its position as a growth driver in the ongoing medium-term management plan, "VISION 2030 stage 1," the medical business, which had previously been included in the "Functional solutions" segment, will become a separate "Medical" segment. As a result, the reportable segments of the GUNZE Group will comprise "Functional solutions," "Medical," "Apparel," and "Lifestyle creations." For details, please see "(5) Notes to Consolidated Financial Statements (Significant Subsequent Events)" of "3. Consolidated Financial Statements and Primary Notes."

The segment-specific strategic challenges are as follows.

(Segment-specific strategic challenges)

As for the functional solutions business, in plastic films, we will work toward the commencement of full-scale operations of the Circular Factory (resource-circulating factory) and promote the establishment of recycling centers, the basis for our transformation into the Circular Manufacturer, along with the proactive market launch of environmentally responsible products. While striving to move forward with production innovation through the rollout of digital technologies, our efforts will also be concentrated on expanding sales in overseas markets, particularly in the United States, China, and the ASEAN region, etc. In engineering plastics, in addition to increasing the share of our products in the mainstay office equipment market, we will aim for sales expansion of products for health/medical-related and industrial equipment applications, through capital investments among other means.

In the medical business, we will accelerate business expansion by strengthening sales in the United States and China and the ongoing development of new products, while boosting production of such products as suture reinforcement materials and artificial dermis, through organizational restructuring to reinforce our business foundations.

In the apparel business, through organizational restructuring to improve our competitiveness based on our comprehensive strengths, the GUNZE Group will strive to expand sales even further on the e-commerce channel, which has been enjoying accelerated growth in line with changing consumer behavior, as well as the Direct to Consumer channel for company-owned stores. At the same time, we will concentrate our management resources, capture new customers, expand into the lifestyle domain, and increase sales of women's innerwear products through products that differentiate our products from others. As for production, we will strengthen our cost competitiveness by promoting automation and the establishment of an optimal global production system, while promoting in stages the Net Zero Factory Project consisting of substantial zero CO<sub>2</sub> emission by using renewable energy and (partly) unmanned lines at major domestic factories.

In the lifestyle creation business, the GUNZE Group will work to boost the profitability of its commercial facilities and promote property-specific management that emphasizes investment efficiency. In the landscaping and greening business, we will proactively work on capturing the demand for greenery including those involving the World Expo in Osaka, and increasing the amounts of CO<sub>2</sub> fixed by plants to reduce CO<sub>2</sub> emissions. As for the sports clubs, we will strive to expand the school business, provide unique services tailored to specific regional/store characteristics, and develop new types of businesses.

#### **(5) Basic Policy on Distribution of Profits and Dividends for FY2022 and FY2023**

Returning earnings to shareholders is one of the most important management policies at the GUNZE Group, and we will continue to set the total return ratio of 100% until the return on equity (ROE) on a consolidated basis exceeds the cost of shareholder's equity. In order to return earnings in a stable and continuous manner, we will provide a dividend with a target dividend on equity ratio (DOE) at 2.2% or over. Under this policy, the GUNZE Group plans to pay a dividend of ¥147 per share for fiscal 2022.

For fiscal 2023, the GUNZE Group plans to pay a dividend of ¥150 per share.

#### **2. Basic Policy for Selection of Accounting Standards**

As a basic policy for the time being, GUNZE will continue preparing its consolidated financial statements in accordance with Japanese accounting standards. As for the application of the International Financial Reporting Standards (IFRS), GUNZE will strive to collect related information and handle the matter appropriately.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,469	11,547
Notes and accounts receivable - trade, and contract assets	26,634	27,129
Merchandise and finished goods	21,361	24,114
Work in process	6,702	7,128
Raw materials and supplies	5,630	7,054
Short-term loans receivable	644	781
Other	3,768	5,841
Allowance for doubtful accounts	(11)	(16)
Total current assets	79,199	83,580
Non-current assets		
Property, plant and equipment		
Buildings and structures	109,634	109,267
Accumulated depreciation	(75,769)	(72,610)
Buildings and structures, net	33,864	36,657
Machinery, equipment and vehicles	92,985	89,446
Accumulated depreciation	(82,921)	(79,048)
Machinery, equipment and vehicles, net	10,064	10,398
Tools, furniture and fixtures	8,335	8,649
Accumulated depreciation	(6,068)	(6,183)
Tools, furniture and fixtures, net	2,266	2,466
Land	10,526	10,446
Leased assets	2,289	1,313
Accumulated depreciation	(1,839)	(1,205)
Leased assets, net	450	107
Construction in progress	2,318	3,041
Total property, plant and equipment	59,490	63,117
Intangible assets		
Software	777	757
Other	566	689
Total intangible assets	1,343	1,446
Investments and other assets		
Investment securities	11,964	11,698
Long-term loans receivable	0	0
Retirement benefit asset	211	1,327
Deferred tax assets	2,371	1,138
Other	3,686	3,684
Allowance for doubtful accounts	(51)	(67)
Total investments and other assets	18,183	17,782
Total non-current assets	79,016	82,346
Total assets	158,216	165,927

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,928	10,010
Short-term borrowings	5,018	6,077
Current portion of long-term borrowings	2,402	438
Income taxes payable	2,139	263
Provision for bonuses	1,361	1,353
Notes payable - facilities	942	936
Provision for loss on transfer of business	218	-
Other	10,211	10,971
<b>Total current liabilities</b>	<b>31,221</b>	<b>30,052</b>
Non-current liabilities		
Long-term borrowings	2,317	8,638
Provision for loss on guarantees	115	220
Retirement benefit liability	3,750	4,494
Long-term leasehold and guarantee deposits received	4,389	4,220
Other	1,631	610
<b>Total non-current liabilities</b>	<b>12,203</b>	<b>18,183</b>
<b>Total liabilities</b>	<b>43,425</b>	<b>48,235</b>
Net assets		
Shareholders' equity		
Share capital	26,071	26,071
Capital surplus	6,566	6,566
Retained earnings	81,184	78,972
Treasury shares	(4,399)	(1,044)
<b>Total shareholders' equity</b>	<b>109,423</b>	<b>110,566</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,393	2,464
Deferred gains or losses on hedges	(35)	(144)
Revaluation reserve for land	(26)	(13)
Foreign currency translation adjustment	1,964	2,941
Remeasurements of defined benefit plans	183	(56)
<b>Total accumulated other comprehensive income</b>	<b>3,480</b>	<b>5,191</b>
Share acquisition rights	131	124
Non-controlling interests	1,755	1,808
<b>Total net assets</b>	<b>114,790</b>	<b>117,691</b>
<b>Total liabilities and net assets</b>	<b>158,216</b>	<b>165,927</b>

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	124,314	136,030
Cost of sales	86,700	95,545
Gross profit	37,614	40,484
Selling, general and administrative expenses	32,734	34,671
Operating profit	4,880	5,812
Non-operating income		
Interest income	50	53
Dividend income	384	440
Rental income from non-current assets	276	363
Foreign exchange gains	160	36
Other	502	260
Total non-operating income	1,375	1,153
Non-operating expenses		
Interest expenses	146	244
Rental expenses on non-current assets	279	356
Expenses for suspension of operation	190	123
Other	239	220
Total non-operating expenses	856	944
Ordinary profit	5,399	6,021
Extraordinary income		
Gain on sale of non-current assets	5,447	1,013
Gain on sale of investment securities	923	598
Gain on sales of investments in capital of subsidiaries and associates	–	339
Other	–	7
Total extraordinary income	6,370	1,959
Extraordinary losses		
Loss on sale and retirement of non-current assets	805	746
Loss on sale of investment securities	196	7
Loss on valuation of investment securities	299	–
Loss on sales of investments in capital	–	40
Impairment losses	3,513	–
Expenses of soil pollution measures	–	228
Loss on COVID	410	116
Business restructuring expenses	563	325
Factory transfer expenses	193	–
Other	221	126
Total extraordinary losses	6,203	1,590
Profit before income taxes	5,566	6,389
Income taxes - current	2,625	919
Income taxes - deferred	(72)	941
Total income taxes	2,553	1,860
Profit	3,013	4,529
Profit attributable to non-controlling interests	73	28
Profit attributable to owners of parent	2,939	4,501

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	3,013	4,529
Other comprehensive income		
Valuation difference on available-for-sale securities	(927)	1,070
Deferred gains or losses on hedges	(51)	(109)
Foreign currency translation adjustment	1,689	1,069
Remeasurements of defined benefit plans, net of tax	(391)	(240)
Total other comprehensive income	319	1,789
Comprehensive income	3,332	6,319
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,154	6,198
Comprehensive income attributable to non-controlling interests	177	120

### (3) Consolidated Statements of Changes in Shareholders' Equity, etc.

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,071	6,674	84,456	(6,904)	110,298
Cumulative effects of changes in accounting policies			(149)		(149)
Restated balance	26,071	6,674	84,307	(6,904)	110,148
Changes during period					
Dividends of surplus			(2,034)		(2,034)
Profit attributable to owners of parent			2,939		2,939
Change in scope of consolidation			220		220
Reversal of revaluation reserve for land			(18)		(18)
Purchase of treasury shares				(1,919)	(1,919)
Disposal of treasury shares		(16)		103	87
Cancellation of treasury shares		(4,321)		4,321	–
Transfer from retained earnings to capital surplus		4,230	(4,230)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(107)	(3,123)	2,505	(725)
Balance at end of period	26,071	6,566	81,184	(4,399)	109,423

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,321	16	(45)	389	575	3,256
Cumulative effects of changes in accounting policies						
Restated balance	2,321	16	(45)	389	575	3,256
Changes during period						
Dividends of surplus						
Profit attributable to owners of parent						
Change in scope of consolidation						
Reversal of revaluation reserve for land						
Purchase of treasury shares						
Disposal of treasury shares						
Cancellation of treasury shares						
Transfer from retained earnings to capital surplus						
Net changes in items other than shareholders' equity	(927)	(51)	18	1,575	(391)	223
Total changes during period	(927)	(51)	18	1,575	(391)	223
Balance at end of period	1,393	(35)	(26)	1,964	183	3,480

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Share acquisition rights	Non- controlling interests	Total net assets
Balance at beginning of period	158	1,465	115,178
Cumulative effects of changes in accounting policies			(149)
Restated balance	158	1,465	115,029
Changes during period			
Dividends of surplus			(2,034)
Profit attributable to owners of parent			2,939
Change in scope of consolidation			220
Reversal of revaluation reserve for land			(18)
Purchase of treasury shares			(1,919)
Disposal of treasury shares			87
Cancellation of treasury shares			–
Transfer from retained earnings to capital surplus			–
Net changes in items other than shareholders' equity	(26)	290	487
Total changes during period	(26)	290	(238)
Balance at end of period	131	1,755	114,790



Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,071	6,566	81,184	(4,399)	109,423
Cumulative effects of changes in accounting policies					—
Restated balance	26,071	6,566	81,184	(4,399)	109,423
Changes during period					
Dividends of surplus			(2,418)		(2,418)
Profit attributable to owners of parent			4,501		4,501
Change in scope of consolidation					—
Reversal of revaluation reserve for land			(13)		(13)
Purchase of treasury shares				(1,004)	(1,004)
Disposal of treasury shares			(12)	90	78
Cancellation of treasury shares			(4,268)	4,268	—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(2,211)	3,354	1,143
Balance at end of period	26,071	6,566	78,972	(1,044)	110,566

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	1,393	(35)	(26)	1,964	183	3,480
Cumulative effects of changes in accounting policies						
Restated balance	1,393	(35)	(26)	1,964	183	3,480
Changes during period						
Dividends of surplus						
Profit attributable to owners of parent						
Change in scope of consolidation						
Reversal of revaluation reserve for land						
Purchase of treasury shares						
Disposal of treasury shares						
Cancellation of treasury shares						
Transfer from retained earnings to capital surplus						
Net changes in items other than shareholders' equity	1,070	(109)	13	976	(240)	1,711
Total changes during period	1,070	(109)	13	976	(240)	1,711
Balance at end of period	2,464	(144)	(13)	2,941	(56)	5,191

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Share acquisition rights	Non- controlling interests	Total net assets
Balance at beginning of period	131	1,755	114,790
Cumulative effects of changes in accounting policies			–
Restated balance	131	1,755	114,790
Changes during period			
Dividends of surplus			(2,418)
Profit attributable to owners of parent			4,501
Change in scope of consolidation			–
Reversal of revaluation reserve for land			(13)
Purchase of treasury shares			(1,004)
Disposal of treasury shares			78
Cancellation of treasury shares			–
Transfer from retained earnings to capital surplus			–
Net changes in items other than shareholders' equity	(6)	53	1,757
Total changes during period	(6)	53	2,900
Balance at end of period	124	1,808	117,691

#### (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,566	6,389
Depreciation	6,058	5,760
Impairment losses	3,513	–
Amortization of goodwill	133	133
Increase (decrease) in allowance for doubtful accounts	(7)	3
Increase (decrease) in retirement benefit liability	(451)	(836)
Increase (decrease) in provision for bonuses	(83)	(15)
Interest and dividend income	(434)	(493)
Interest expenses	146	244
Foreign exchange losses (gains)	32	(11)
Loss (gain) on sale and retirement of non-current assets	(4,641)	(323)
Loss (gain) on sale and valuation of investment securities	(427)	(591)
Business restructuring expenses	563	325
Loss on COVID	410	116
Expenses of soil pollution measures	–	228
Factory transfer expenses	193	–
Other extraordinary loss (income)	71	105
Other loss (gain)	(33)	(20)
Decrease (increase) in notes and accounts receivable-trade and contract assets	1,699	124
Decrease (increase) in inventories	(2,004)	(4,228)
Decrease (increase) in other current assets	(728)	(1,779)
Increase (decrease) in trade payables	639	572
Increase (decrease) in leasehold and guarantee deposits received	(363)	(171)
Increase (decrease) in other current liabilities	1,175	(43)
Increase (decrease) in other non-current liabilities	(17)	(76)
Subtotal	11,010	5,412
Interest and dividends received	434	490
Interest paid	(149)	(230)
Payments for business restructuring expenses	(530)	(863)
Payments for factory transfer expenses	(195)	–
Payments for loss on COVID	(371)	(99)
Payments for soil pollution measures	–	(38)
Income taxes refund (paid)	(1,043)	(2,877)
Net cash provided by (used in) operating activities	9,155	1,794

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(4,741)	(10,226)
Proceeds from sale of non-current assets	9,405	1,370
Payments for retirement of non-current assets	(610)	(589)
Purchase of investment securities	(1,095)	(2,060)
Proceeds from sale of investment securities	3,810	4,422
Proceeds from sale of businesses	–	1,207
Decrease (increase) in loans receivable	8	(41)
Other, net	30	(2)
Net cash provided by (used in) investing activities	6,806	(5,920)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings and commercial papers	(964)	288
Proceeds from long-term borrowings	–	6,600
Repayments of long-term borrowings	(7,335)	(2,455)
Purchase of treasury shares	(1,919)	(1,004)
Proceeds from sale of treasury shares	87	78
Dividends paid	(2,027)	(2,409)
Dividends paid to non-controlling interests	(64)	(67)
Other, net	(132)	(22)
Net cash provided by (used in) financing activities	(12,358)	1,007
Effect of exchange rate change on cash and cash equivalents	692	196
Net increase (decrease) in cash and cash equivalents	4,296	(2,922)
Cash and cash equivalents at beginning of period	9,717	14,469
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	456	–
Cash and cash equivalents at end of period	14,469	11,547

## **(5) Notes to Consolidated Financial Statements**

(Notes Regarding Assumptions of Continuing Operations)

None applicable

(Segment Information, etc.)

[Segment Information]

### **1. Summary of Reportable Segments**

GUNZE's reportable segments refer to the components of GUNZE that provide separate financial data to the board of directors for decisions on allocation of management resources and evaluation of business results on a regular basis.

GUNZE's corporate structure consists of business organizations (internal companies/business divisions, etc.) classified according to the type of products or services, and each business organization formulates strategies for the products/services it handles and promotes business activities. Therefore, GUNZE consists of segments based on business organizations classified by the type of products/services, and discloses financial information about three reportable segments, namely Functional Solutions, Apparel and Lifestyle Creations.

The Functional Solutions segment produces and sells functional materials made by processing plastics, medical materials and machinery. The Apparel segment is engaged in the production and sales of apparel as well as threads and accessories. The Lifestyle Creations segment is engaged in operation and management of commercial facilities and sports clubs, sales of trees and plants, as well as the solar power generation business.

### **2. Net Sales, Profit/Loss, Asset/Liabilities and Others of Each Reportable Segment and Calculation Method**

Accounting treatment for business segment reporting is the same as "Significant accounting policies for the preparation of consolidated financial statements."

3. Information on Net Sales, Profit/Loss, Assets/Liabilities and Others of Each Reportable Segment  
 FY2021 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Reportable segments				Adjustment (note 1)	Consolidated (note 2)
	Functional solutions	Apparel	Lifestyle creations	Total		
Net sales						
Sales to customers	55,881	56,991	11,440	124,314	-	124,314
Intersegment sales and transfers	256	206	135	598	(598)	-
Total	56,138	57,197	11,576	124,912	(598)	124,314
Segment profit (loss)	8,032	(557)	453	7,929	(3,049)	4,880
Segment assets	57,354	50,462	25,986	133,803	24,412	158,216
Other items						
Depreciation	2,564	1,322	1,698	5,585	472	6,058
Amortization of goodwill	88	45	-	133	-	133
Impairment losses	-	1,136	2,377	3,513	-	3,513
Increase in property, plant and equipment, and intangible assets	1,721	2,244	867	4,832	1,114	5,947

Notes:

1. Adjustment comprises the following:

(1) The ¥(3,049) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.

(2) The ¥24,412 million segment asset adjustment consists of overall costs not allocated to reportable segments

2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Consolidated Statements of Income.

FY2022 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Reportable segments				Adjustment (note 1)	Consolidated (note 2)
	Functional solutions	Apparel	Lifestyle creations	Total		
Net sales						
Sales to customers	59,959	60,804	15,265	136,030	-	136,030
Intersegment sales and transfers	380	182	62	625	(625)	-
Total	60,340	60,986	15,327	136,655	(625)	136,030
Segment profit (loss)	8,918	(222)	705	9,401	(3,588)	5,812
Segment assets	65,730	50,905	26,657	143,293	22,633	165,927
Other items						
Depreciation	2,706	1,205	1,370	5,281	478	5,760
Amortization of goodwill	88	45	-	133	-	133
Increase in property, plant and equipment, and intangible assets	5,369	1,493	2,053	8,916	680	9,597

Notes:

1. Adjustment comprises the following:

(1) The ¥(3,588) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.

(2) The ¥22,633 million segment asset adjustment consists of overall costs not allocated to reportable segments

2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Consolidated Statements of Income.

[Related Information]

FY2021 (April 1, 2021 to March 31, 2022)

1. Information by Product/Service

This information is not presented because similar information is available in “Segment Information.”

2. Geographic Information

(1) Net sales

(Millions of yen)

Japan	Others	Total
100,214	24,099	124,314

Note: Net sales are classified by the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	Others	Total
50,529	8,961	59,490

3. Major Customer Information

This information is not presented because no single customer represents 10% or more of the company’s total net sales reported on the Consolidated Statements of Income.

FY2022 (April 1, 2022 to March 31, 2023)

1. Information by Product/Service

This information is not presented because similar information is available in “Segment Information.”

2. Geographic Information

(1) Net sales

(Millions of yen)

Japan	Others	Total
109,181	26,848	136,030

Note: Net sales are classified by the location of customers.

(2) Property, plant and equipment

(Millions of yen)

Japan	Others	Total
54,157	8,959	63,117



### 3. Major Customer Information

This information is not presented because no single customer represents 10% or more of the company's total net sales reported on the Consolidated Statements of Income.

[Information on Impairment Loss of Non-current Assets of Each Reportable Segment]

FY2021 (April 1, 2021 to March 31, 2022)

This information is not presented because similar information is available in “Segment Information.”

FY2022 (April 1, 2022 to March 31, 2023)

Not applicable

[Information on Goodwill Amortization and Unamortized Balance of Each Reportable Segment]

FY2021 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments				Corporate/ Elimination	Consolidated
	Functional solutions	Apparel	Lifestyle creations	Total		
Amortization during the period	88	45	-	133	-	133
Balance at the end of the period	103	202	-	305	-	305

FY2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments				Corporate/ Elimination	Consolidated
	Functional solutions	Apparel	Lifestyle creations	Total		
Amortization during the period	88	45	-	133	-	133
Balance at the end of the period	14	157	-	172	-	172

[Information on Gain on Negative Goodwill of Each Reportable Segment]

FY2021 (April 1, 2021 to March 31, 2022)

None applicable

FY2022 (April 1, 2022 to March 31, 2023)

None applicable

## (Per Share Information)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Net assets per share (¥)	6,535.42	6,789.78
Earnings per share (¥)	168.93	261.38
Diluted earnings per share (¥)	168.43	260.75

Note:

1. Earnings per share and diluted earnings per share were calculated on the following basis:

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Earnings per share		
Profit attributable to owners of parent (¥ millions)	2,939	4,501
Amounts not allocated to common shareholders (¥ millions)	—	—
Profit attributable to owners of parent allocated to common stock (¥ millions)	2,939	4,501
Average number of shares of common stock outstanding during each term (thousand shares)	17,400	17,220
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (¥ millions)	-	-
Increase in common stock (thousand shares)	51	41
[Stock acquisition rights] (thousand shares)	[51]	[41]

2. Net assets per share were calculated on the following basis:

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Total net asset value (¥ millions)	114,790	117,691
Deduction from net assets (¥ millions)	1,887	1,933
[Non-controlling interests] (¥ millions)	[1,755]	[1,808]
[Stock acquisition rights] (¥ millions)	[131]	[124]
Term-end net asset value allocated to common stock (¥ millions)	112,903	115,757
Term-end number of shares of common stock used for calculation of net assets per share (thousand shares)	17,275	17,048

(Significant Subsequent Events)

(Changes in the Categories of Reportable Segments)

GUNZE at a meeting of the Board of Directors held on May 12, 2023 resolved to change the categories of its reportable segments.

The GUNZE Group's medical business division, in conjunction with the organizational restructuring of the Medical Division, Gunze Medical Limited, and other companies, effective April 1, 2023, will provide innovative medical devices, namely bioabsorbable medical materials, under an organizational structure dedicated to the medical field, and will aim to further enhance the QOL of patients.

In consideration of this organizational restructuring and to clarify its position as a growth driver in the ongoing medium-term management plan, "VISION 2030 stage 1," the medical business, which was included in the "Functional solutions" segment in the fiscal year under review, will become a separate "Medical" segment starting from fiscal 2023.

As a result, the reportable segments of the GUNZE Group will comprise "Functional solutions," "Medical," "Apparel," and "Lifestyle creations."

The net sales and profit/loss for the fiscal year under review according to the revised reportable segments are as follows.

FY2022 (April 1, 2022 – March 31, 2023)

(Millions of yen)

	Reportable segments					Adjustment (note 1)	Consolidated (note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	49,006	10,953	60,804	15,265	136,030	-	136,030
Intersegment sales and transfers	549	3	182	62	797	(797)	-
Total	49,555	10,957	60,986	15,327	136,827	(797)	136,030
Segment profit (loss)	6,835	2,082	(222)	705	9,401	(3,588)	5,812

Notes:

1. The ¥(3,588) million segment profit adjustment consists of overall costs not allocated to reportable segments.

Overall costs refer to SG&A expenses not allocated to reportable segments.

2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Consolidated Statements of Income.

## 4. Supplementary Information

### Overview of Consolidated Results

#### <Overview of Results>

- Promoted business structure reforms, including the transfer of the film business in electronic components and the reorganization of the production bases in legwear.
- The functional solutions business performed strongly overall, although it was impacted by soaring raw material and fuel prices.
- In the apparel business, despite the ongoing recovery trend in sales, exchange rate fluctuations and skyrocketing raw material and fuel prices had an impact on the business.
- The lifestyle creations business performed strongly thanks to the redevelopment of idle land

#### <Main Extraordinary Income or Losses>

- Gain on sale of non-current assets: ¥1.0 billion
- Gain on sale of investment securities: ¥0.5 billion
- Loss on sale and retirement of non-current assets: ¥(0.7) billion

#### <Dividends>

- Scheduled dividend payment for the fiscal year ended March 31, 2023 is ¥147 per share.

#### <Forecasts for the Fiscal Year Ending March 31, 2024>

- Due to new products and the expansion of sales on new sales channels, as well as initiatives to increase productivity and the strengthening of cost competitiveness through an optimal global production system, both sales and profits are expected to increase.
- Scheduled dividend payment for the fiscal year ending March 31, 2024 is ¥150 per share.

#### (1) FY2022 Operating Results (Apr. 1, 2022 to Mar. 31, 2023)

(Millions of yen)

	FY2022	FY2021	Change <Upper figures in brackets %>
Net sales	136,030	124,314	<9.4> 11,715
Operating profit	5,812	4,880	<19.1> 932
Ordinary profit	6,021	5,399	<11.5> 621
Profit attributable to owners of parent	4,501	2,939	<53.1> 1,561
Total assets	165,927	158,216	<4.9> 7,710
Inventories	38,297	33,693	<13.7> 4,603
Non-current assets	82,346	79,016	<4.2> 3,329
Net assets	117,691	114,790	<2.5> 2,900
Financing income/expenses	248	288	(39)
Interest/Dividends received	493	434	58
Interest expenses	(244)	(146)	(97)
Capital expenditures	9,597	5,947	3,650
Depreciation	5,894	6,191	(297)

#### Acquisition of treasury shares, etc.

(Thousands of shares)

(Amount)

Treasury shares acquired	247	¥1,004 million
Treasury shares disposed	21	¥90 million
Treasury shares canceled	1,000	¥4,268 million
Treasury shares held at the end of the previous fiscal year	1,017	¥4,399 million
Treasury shares held at the end of the period	244	¥1,044 million

\* Treasury shares acquired includes 246 thousand shares purchased at ¥999 million as resolved at the Board of Directors meeting.

**(2) Results by Business Segment**

(Millions of yen)

Segment		FY2022		FY2021	
		Amount	Weight	Amount	Weight
Net sales	Functional Solutions	60,340	44.2	56,138	44.9
	Apparel	60,986	44.6	57,197	45.8
	Lifestyle Creations	15,327	11.2	11,576	9.3
	Subtotal	136,655	100.0	124,912	100.0
	Elimination	(625)		(598)	
	Consolidated	136,030		124,314	
Operating profit	Functional Solutions	8,918	94.9	8,032	101.3
	Apparel	(222)	(2.4)	(557)	(7.0)
	Lifestyle Creations	705	7.5	453	5.7
	Subtotal	9,401	100.0	7,929	100.0
	Elimination	(3,588)		(3,049)	
	Consolidated	5,812		4,880	

**(3) Significant Financial Indicators**

Item		FY2022	FY2021	Change
Operating profit to total assets ratio	%	3.6	3.1	0.5
Ordinary profit to total assets ratio	%	3.7	3.4	0.3
Operating profit to net sales ratio	%	4.3	3.9	0.4
Ordinary profit to net sales ratio	%	4.4	4.3	0.1
Turnover of total assets	times	0.84	0.78	0.06
Equity ratio	%	69.8	71.4	(1.6)
ROE	%	3.9	2.6	1.3
Earnings per share	¥	261.38	168.93	92.45
Diluted earnings per share	¥	260.75	168.43	92.32
Net assets per share	¥	6,789.78	6,535.42	254.36

**(4) Cash Flows**

(Millions of yen)

Cash Flow Activity	FY2022	FY2021	Change	Breakdown of Major Components
Operating activities	1,794	9,155	(7,360)	Profit before income taxes: 6,389; Depreciation: 5,760; Increase in inventories: (4,228); Income taxes paid: (2,877); Increase in other current assets (accounts receivable-other, etc.): (1,779)
Investing activities	(5,920)	6,806	(12,726)	Proceeds from sale of investment securities: 4,422; Proceeds from sale of non-current assets: 1,370; Proceeds from sale of businesses: 1,207; Purchase of non-current assets: (10,226); Purchase of investment securities: (2,060)
Financing activities	1,007	(12,358)	13,365	Proceeds from long-term borrowings: 6,600; Repayments of long-term borrowings: (2,455); Dividends paid: (2,409); Purchase of treasury shares: (1,004)
Effect of exchange rate change on cash and cash equivalents	196	692	(496)	
Net increase (decrease) in cash and cash equivalents	(2,922)	4,296	(7,218)	
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	456	(456)	
Cash and cash equivalents at end of period	11,547	14,469	(2,922)	

(5) Capital Expenditures and Depreciation and Amortization by Segment

(Millions of yen)

Item	FY2022		FY2021		Y-over-Y Change	FY2023 Plan		Y-over-Y Change	
	Amount	Weight	Amount	Weight		Amount	Weight		
Capital expenditures * Incl. intangible assets	Functional Solutions	4,816	45.6	1,330	22.3	3,486	5,500	44.7	684
	Medical	553	10.3	391	6.6	162	800	6.5	247
	Apparel	1,493	15.6	2,244	37.7	(751)	2,800	22.8	1,307
	Lifestyle Creations	2,053	21.4	867	14.6	1,186	2,400	19.5	347
	Corporate	680	7.1	1,114	18.7	(434)	800	6.5	120
	Total	9,597	100.0	5,947	100.0	3,650	12,300	100.0	2,703
Depreciation * Incl. amortization of goodwill	Functional Solutions	2,423	41.2	2,341	37.8	82	2,700	40.9	277
	Medical	371	6.3	312	5.0	59	500	7.6	129
	Apparel	1,250	21.2	1,367	22.1	(117)	1,400	21.2	150
	Lifestyle Creations	1,370	23.2	1,698	27.4	(328)	1,500	22.7	130
	Corporate	478	8.1	472	7.6	6	500	7.6	22
	Total	5,894	100.0	6,191	100.0	(297)	6,600	100.0	706

Main Investment Plans for FY2023

- Plastic film production resource-circulating factory and equipment: ¥3,000 million
- Innerwear production equipment: ¥1,200 million
- Renovation to renew commercial facilities: ¥1,200 million

(6) FY2023 Forecast

(Millions of yen)

Item	FY2023 Forecast	FY2022 Results	Change	
			Amount	Change (%)
Net sales	140,000	136,030	3,970	2.9
Operating profit	7,500	5,812	1,688	29.0
Ordinary profit	7,500	6,021	1,479	24.6
Profit attributable to owners of parent	4,800	4,501	299	6.6

(7) Forecast of Results by Segment

(Millions of yen)

Item	FY2023 Forecast		FY2022 Results		Change		
	Amount	Weight	Amount	Weight	Amount	Change (%)	
Net sales	Functional Solutions	51,800	36.8	49,555	36.2	2,245	4.5
	Medical	12,000	8.5	10,957	8.0	1,043	9.5
	Apparel	63,300	44.9	60,986	44.6	2,314	3.8
	Lifestyle Creations	13,800	9.8	15,327	11.2	(1,527)	(10.0)
	Subtotal	140,900	100.0	136,827	100.0	4,073	3.0
	Elimination	(900)		(797)		(103)	-
	Consolidated	140,000		136,030		3,970	2.9
Operating profit	Functional Solutions	7,100	61.2	6,835	72.8	265	3.9
	Medical	2,300	19.8	2,082	22.1	218	10.5
	Apparel	1,400	12.1	(222)	(2.4)	1,622	-
	Lifestyle Creations	800	6.9	705	7.5	95	13.5
	Subtotal	11,600	100.0	9,401	100.0	2,199	23.4
	Elimination	(4,100)		(3,588)		(512)	-
	Consolidated	7,500		5,812		1,688	29.0

\*From fiscal 2023, the medical business, which had been included in Functional Solutions, will be categorized into the new reportable segment of “Medical.”