

GENERAL MEETING OF SHAREHOLDERS

Propositions and Reference Matters:

First Proposition: Proposed Disposal of Surplus

It is proposed that surplus be disposed as follows:

1. Matters related to the term-end dividend:

Returning earnings to shareholders is one of the most important management policies of the Company. Accordingly, the Company works to continue providing a stable dividend based on the medium-term business outlook, with a target payout ratio of approximately 50% on a consolidated basis. In line with this basic policy, it is proposed that the 126th term-end dividend shall be as follows:

- (1) Kind of asset distributed:
Cash
- (2) Matter related to distribution of asset to shareholders and total amount:
¥140 per share of common stock of the Company
Total amount: ¥2,418,586,660
- (3) Effective date for distribution of surplus:
June 27, 2022

Second Proposition: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

The amended provisions stipulated in the proviso to Article 1 of the supplementary provision of “Act for Partial Amendment of the Companies Act” (Act No. 70 of 2019) are due to come into effect on September 1, 2022. Accordingly, to prepare for the introduction of a system to provide reference materials, etc., for the General Meeting of Shareholders in an electronic format, the Company will amend its Articles of Incorporation as follows:

- ① Paragraph 1 of Article 16 in the proposed amendments stipulates that the Company shall take measures to provide information included in the reference materials, etc., for the General Meeting of Shareholders in an electronic format.
- ② Paragraph 2 of Article 16 in the proposed amendment stipulates that the Company shall establish a provision for limiting the scope of matters to be described in documents sent to shareholders who requested them.
- ③ Accordingly, the provision of Article 16 of the current Articles of Incorporation, “Disclosure of Reference Materials for the General Meeting of Shareholders on the Internet and Deemed Provision of That Information” will become unnecessary, so it will be deleted.
- ④ In addition to the above, the Company will establish supplementary provisions concerning the effective date and other matters to the Articles of Incorporation that have become necessary along with the aforementioned establishment of new provisions and the deletion of the unnecessary provision.

2. Details of Proposed Amendments

The details of the proposed amendments are as follows:

(Parts proposed to be amended are underlined.)

Current Articles of Incorporation	Proposed Amendments of Articles of Incorporation
Chapter 3. General Meeting of Shareholders Article 12. – Article 15. (Text omitted)	Chapter 3. General Meeting of Shareholders Article 12. – Article 15. (Text unchanged)
<u>(Disclosure of Reference Materials for the General Meeting of Shareholders on the Internet and Deemed Provision of That Information)</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments of Articles of Incorporation
<p data-bbox="240 259 778 965"><u>Article 16.</u> <u>Should the Company disclose information relating to matters stated or indicated in reference materials for the General Meeting of Shareholders, the Report on the Results of Operations, the Consolidated Accounting Documents, and Non-Consolidated Accounting Documents on the Internet in connection with convening the General Meeting of Shareholders in accordance with the Ordinance of the Ministry of Justice, it may be deemed that the Company has provided shareholders with the said information.</u></p> <p data-bbox="405 1025 619 1059">(New provision)</p> <p data-bbox="240 1839 608 1917">Article 17. – Article 18. (Text omitted)</p>	<p data-bbox="809 1025 1278 1059"><u>(Electronic Provision Measure, etc.)</u></p> <p data-bbox="809 1077 1326 1391"><u>Article 16. When convening a General Meeting of Shareholders, the Company shall take measures to provide information included in the reference materials for the General Meeting of Shareholders, etc., in an electronic format.</u></p> <p data-bbox="809 1408 1353 1776"><u>2. Among the matters subject to electronic provision measures, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in a paper-based document to be sent to shareholders who have requested it by the record date of voting rights.</u></p> <p data-bbox="809 1839 1193 1917">Article 17. – Article 18. (Text unchanged)</p>

Current Articles of Incorporation	Proposed Amendments of Articles of Incorporation
(New provision)	<p>(Supplementary Provisions)</p> <p>1. <u>The amendment of Article 16 of the Articles of Incorporation shall come into effect on September 1, 2022, which is the date of enactment for the amended provisions set forth in the proviso to Article 1 of the Supplementary Provisions of the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019) (hereinafter referred to as “the enactment date”).</u></p> <p>2. <u>Notwithstanding the provisions of the preceding paragraph, Article 16 (Disclosure of Reference Materials for the General Meeting of Shareholders on the Internet and Deemed Provision of That Information) of the current Articles of Incorporation shall remain effective with respect to the General Meeting of Shareholders to be held within six (6) months from the enactment date.</u></p> <p>3. <u>These supplementary provisions shall be deleted either on the day on which six (6) months have elapsed from the enactment date or the day on which three (3) months have elapsed after the General Meeting of Shareholders, set forth in the preceding paragraph, whichever is later.</u></p>

Third Proposition:**Election of Eight (8) Directors**

The terms of office of all nine (9) Directors will expire at the close of this General Meeting of Shareholders. It is therefore proposed that eight (8) Directors will be elected. The Company has established a policy regarding qualifications for Directors and nomination procedures in its Corporate Governance Guidelines. (Refer to the Company's website: [https://www.gunze.co.jp/ir/policy/governance/.](https://www.gunze.co.jp/ir/policy/governance/)) All candidates for Directors in this Proposition are nominated in accordance with the said policy. Please see "Reference 1" on page 18 and 19 for the applicable matters, as well as "Reference 2" on page 20 and 21 for the skills of each candidate for Director.

The candidates are as follows:

Candidate No.	Name	Current Posts and Responsibilities	Percentage of Attendance in BOD Meetings	Number of Years in Office
1	<input type="checkbox"/> Reelection <input type="checkbox"/> Male	Atsushi Hirochi	100% (13/13)	10 years
2	<input type="checkbox"/> Reelection <input type="checkbox"/> Male	Toshiyasu Saguchi	92% (12/13)	8 years
3	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent <input type="checkbox"/> Female	Hiroe Nakai	100% (13/13)	4 years
4	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent <input type="checkbox"/> Male	Osamu Kujiraoka	100% (13/13)	3 years
5	<input type="checkbox"/> Reelection <input type="checkbox"/> Outside <input type="checkbox"/> Independent <input type="checkbox"/> Female	Rie Kida	100% (13/13)	2 years
6	<input type="checkbox"/> Reelection <input type="checkbox"/> Male	Makoto Kumada	100% (13/13)	5 years
7	<input type="checkbox"/> Reelection <input type="checkbox"/> Male	Katsuhiko Oikawa	100% (13/13)	6 years
8	<input type="checkbox"/> Reelection <input type="checkbox"/> Male	Ryoji Kawanishi	100% (9/9)	1 year

Note 1: As for Mr. Ryoji Kawanishi, his status after he has assumed office of Director on June 25, 2021 is shown above.

Note 2: The term of office of Directors will expire at the close of the Ordinary General Meeting of Shareholders.

No.	Name (Date of Birth)	Brief Personal Record, Current Posts, Responsibilities and Additional Important Posts		Number of Shares of the Company Owned
1	Atsushi Hirochi (Jan. 11, 1960) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div>	Mar. 1983 Jun. 2012 Jan. 2013 Apr. 2014 Jun. 2014 Apr. 2016 Jun. 2016 Apr. 2017 Feb. 2019 Jun. 2021	Joined “GUNZE” Director, Corporate Officer, General Manager of Leg Wear Divisions Group, Apparel Company and CCO, GUNZE Director, Corporate Officer, General Manager of Innerwear Divisions Group, Apparel Company and CCO, GUNZE Director, Corporate Officer, Company President of Apparel Company, General Manager of Innerwear Divisions Group and CCO, GUNZE Managing Director, Managing Corporate Officer, Company President of Apparel Company, General Manager of Innerwear Divisions Group, Apparel Company, CMO and CLO, GUNZE Managing Director, Managing Corporate Officer, General Manager of Management & Strategy Department, CHO, CCSRO and CMO, GUNZE Senior Managing Director, Representative Director, Senior Managing Corporate Officer, General Manager of Management & Strategy Department, CHO, CCSRO and CMO, GUNZE President, Representative Director and President Corporate Officer, GUNZE (to present) Member, Nomination/Remuneration Committee, GUNZE (to present) Chairman and Representative Director, GUNZE (to present)	14,855
<p>Reasons for supporting the candidate for Director</p> <p>Mr. Atsushi Hirochi assumed the position of the Chairman and Representative Director of the Company in June 2021. Before that, he was appointed as the President and Representative Director of the Company in April 2017. Since then, Mr. Hirochi has led the management of the GUNZE Group through the implementation of each strategy of its medium-term management plan and the reinforcement of its corporate governance. Moreover, as the Chairman of the Board of Directors, Mr. Hirochi has been working to vitalize the Board and enhance its effectiveness. The Company would like Mr. Hirochi to continue serving the Company as a Director as his leadership is deemed essential for continuously reinforcing the oversight and supervisory functions of the GUNZE Group and strengthening sustainable relationships with stakeholders. Accordingly, the Company proposes that he be elected as a Director.</p>				
2	Toshiyasu Saguchi (Nov. 14, 1961) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div>	Mar. 1984 Jun. 2014 Apr. 2017 Jun. 2018 Feb. 2019 Jun. 2020 Jun. 2021	Joined “GUNZE” Director, Corporate Officer and Company President of Plastic Film Company, GUNZE Managing Director, Managing Corporate Officer and General Manager of Management & Strategy Department, GUNZE Representative Director, Managing Corporate Officer and General Manager of Management & Strategy Department, GUNZE Member, Nomination/Remuneration Committee, GUNZE (to present) Representative Director, Senior Managing Corporate Officer and General Manager of Management & Strategy Department, GUNZE Representative Director, President and President Corporate Officer, GUNZE (to present)	7,292

No.	Name (Date of Birth)	Brief Personal Record, Current Posts, Responsibilities and Additional Important Posts		Number of Shares of the Company Owned
		<p>Reasons for supporting the candidate for Director Mr. Toshiyasu Saguchi assumed the position of the Representative Director, President and President Corporate Officer in June 2021. Since June 2020, he has appropriately promoted the formulation of the Company's medium-term management plan, M&A projects, etc., as a Representative Director and Senior Managing Officer. The Company would like Mr. Saguchi to continue serving the Company as a Director, as his leadership is deemed essential for continuously making a social contribution through sustainability management and for achieving the sustainable growth of the GUNZE Group in the future. Accordingly, the Company proposes that he be elected as a Director.</p>		
3	<p>Hiroe Nakai (May 20, 1961)</p> <p>Reelection Outside Independent Female</p>	<p>Apr. 1988 Apr. 1995 Sep. 2011 Jun. 2013 Aug. 2016 Jun. 2018 Feb. 2019</p>	<p>Registered as an attorney (at Osaka Bar Association) Established "Inoue and Nakai Law Office" Established "Hinata Law Office" (to present) Outside Auditor, Endo Lighting Corp. Outside Auditor, Kansai Paint Co., Ltd. Outside Auditor, Kansai Paint Co., Ltd. Director, GUNZE (to present) Member (Chair), Nomination/Remuneration Committee, GUNZE (to present)</p>	<p>1,000</p> <p>Number of years in office: 4 (at the close of the Meeting)</p>
		<p>Reasons for supporting the candidate for outside Director and summary of expected roles The Company would like Ms. Hiroe Nakai to continue serving the Company, given her approximately four years of experience as an outside Director of the Company, as well as her ample experience as an attorney and knowledge in the field of corporate legal and general civil affairs. During her time of service, she has reflected an objective viewpoint into the Company's management decisions based on her ample experience and broad knowledge in the wide range of fields, while also exerting her maximum effort to oversee the Company's business operations from a fair and independent perspective. Moreover, as the chair of the Nomination/Remuneration Committee, she has actively provided advice and recommendations, which has made a significant contribution to enhancing the GUNZE Group's corporate governance. The Company highly evaluates her experience and talent, and is expecting her to exercise supervision and give advice based on her objective insight and legal knowledge, once she is elected as an outside Director. For these reasons, the Company proposes that she be elected as an outside Director.</p>		
4	<p>Osamu Kujiraoka (Sept. 25, 1955)</p> <p>Reelection Outside Independent Male</p>	<p>Mar. 1978 Mar. 1988 Mar. 2003 Jan. 2006 Mar. 2009 Feb. 2015 Jun. 2019 Oct. 2019</p>	<p>Joined Nikkei Inc. Seconded to Nikkei McGraw-Hill, Inc. (presently, Nikkei Business Publications, Inc.) Executive Officer and Chief of Operations, Nikkei Inc. Officer and Chief of Medical Affairs, Nikkei Inc. and President and CEO, Nikkei Medical Publishing Inc. Executive Officer, Nikkei Inc., President and CEO, Nikkei Business Publications America, Inc. and Nikkei Business Publications Europe, Ltd. President and CEO, Nikkei Medical Publishing Inc. Director, Member, Nomination/Remuneration Committee, GUNZE (to present) President, Dakuon Co., Ltd. (to present)</p>	<p>700</p> <p>Number of years in office: 3 (at the close of the Meeting)</p>

No.	Name (Date of Birth)	Brief Personal Record, Current Posts, Responsibilities and Additional Important Posts		Number of Shares of the Company Owned
		<p>Reasons for supporting the candidate for outside Director and summary of expected roles The Company would like Mr. Osamu Kujiraoka to continue serving the Company, given his approximately three years of experience as an outside Director of the Company, as well as his career as an executive officer of a publishing company. During his time of service, he has reflected an objective viewpoint into the Company's management decisions based on his ample experience and broad knowledge especially in the medical field, one of the Company's high-growth businesses, while also exerting his maximum effort to oversee the Company's business operations from a fair and independent perspective. Moreover, as a member of the Nomination/Remuneration Committee, he has actively provided advice and recommendations, which has made a significant contribution to enhancing the GUNZE Group's corporate governance. The Company highly evaluates his experience and talent, and is expecting him to exercise supervision and provide advice based on his ample experience and comprehensive knowledge in the medical field, once he is elected as an outside Director. For these reasons, the Company proposes that he be elected as an outside Director.</p>		
5	<p>Rie Kida (May 27, 1969)</p> <p>Reelection Outside Independent Female</p>	<p>Apr. 1989 Apr. 1991 Oct. 2000 Apr. 2003 Apr. 2005 Nov. 2009 Aug. 2010 Apr. 2013 Jun. 2020</p>	<p>Joined Luis Jitan Company Joined RESCO FORMATION Inc. Joined IDEI CREATIVE AGENCY Joined HERSTORY CO., LTD. Chief Producer, HERSTORY CO., LTD. Managing Director, RESCO FORMATION Inc. Organized Woman's Feelings Marketing Laboratory within RESCO FORMATION Inc. and appointed Chief Established Woman's Feelings Marketing Laboratory Inc. Representative Director, Woman's Feelings Marketing Laboratory Inc. (to present) Director and Member, Nomination/Remuneration Committee, GUNZE (to present)</p>	<p>200</p> <p>Number of years in office: 2 (at the close of the Meeting)</p>
6	<p>Makoto Kumada (Jul. 24, 1961)</p> <p>Reelection Male</p>	<p>Mar. 1984 Apr. 2017 Jun. 2017 Apr. 2022</p>	<p>Joined "GUNZE" Corporate Officer and General Manager of Finance & Accounting Department, GUNZE Director, Corporate Officer and General Manager of Finance & Accounting Department, GUNZE Director, Managing Corporate Officer and General Manager of Finance & Accounting Department, GUNZE (to present)</p>	<p>3,785</p>

No.	Name (Date of Birth)	Brief Personal Record, Current Posts, Responsibilities and Additional Important Posts	Number of Shares of the Company Owned										
		<p>Reasons for supporting the candidate for Director Mr. Makoto Kumada assumed the position of the Director and Managing Corporate Officer of the Company in April 2022. Since June 2017, he has taken a lead in promoting capital cost-based management as the Director, Corporate Officer and General Manager of the Finance & Accounting Department. Moreover, he has been committed to consolidating the Company's financial foundation and improving its efficiency through proactive and constructive dialogues with institutional investors. The Company would like Mr. Kumada to continue serving the Company as a Director as his expertise is deemed essential for continuously promoting GUNZE's group management in the future. Accordingly, the Company proposes that he be elected as a Director.</p>											
7	Katsuhiko Oikawa (Apr. 12, 1963) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div>	<table border="1"> <tr> <td>Apr. 1986</td> <td>Joined "GUNZE"</td> </tr> <tr> <td>Apr. 2014</td> <td>Corporate Officer and General Manager of Research & Development Department, GUNZE</td> </tr> <tr> <td>Jun. 2014</td> <td>Corporate Officer, General Manager of Research & Development Department and CRO, GUNZE</td> </tr> <tr> <td>Jun. 2016</td> <td>Director, Corporate Officer, General Manager of Research & Development Department and CRO, GUNZE</td> </tr> <tr> <td>Apr. 2017</td> <td>Director, Corporate Officer and General Manager of Research & Development Department, GUNZE (to present)</td> </tr> </table> <p>Reasons for supporting the candidate for Director The Company would like Mr. Katsuhiko Oikawa to continue serving the Company as a Director, given his ample experience and broad knowledge, mainly in the field of production and research & development. As the General Manager of the Research & Development Department, he has been working on the promotion of various research themes as well as the development and cultivation of new businesses. Moreover, Mr. Oikawa has been serving as a driving force in promoting efforts toward the commercialization of functional films including films for next-generation lithium-ion batteries. As Mr. Oikawa's expertise is deemed essential for continuously promoting GUNZE's group management in the future, the Company proposes that he be elected as a Director.</p>	Apr. 1986	Joined "GUNZE"	Apr. 2014	Corporate Officer and General Manager of Research & Development Department, GUNZE	Jun. 2014	Corporate Officer, General Manager of Research & Development Department and CRO, GUNZE	Jun. 2016	Director, Corporate Officer, General Manager of Research & Development Department and CRO, GUNZE	Apr. 2017	Director, Corporate Officer and General Manager of Research & Development Department, GUNZE (to present)	3,798
Apr. 1986	Joined "GUNZE"												
Apr. 2014	Corporate Officer and General Manager of Research & Development Department, GUNZE												
Jun. 2014	Corporate Officer, General Manager of Research & Development Department and CRO, GUNZE												
Jun. 2016	Director, Corporate Officer, General Manager of Research & Development Department and CRO, GUNZE												
Apr. 2017	Director, Corporate Officer and General Manager of Research & Development Department, GUNZE (to present)												
8	Ryoji Kawanishi (Dec. 7, 1962) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Male</div>	<table border="1"> <tr> <td>Apr. 1986</td> <td>Joined "GUNZE"</td> </tr> <tr> <td>Apr. 2017</td> <td>General Manager of Management Administrative Department, Apparel Company, GUNZE</td> </tr> <tr> <td>Apr. 2020</td> <td>Corporate Officer and General Manager of Management Administrative Department, Apparel Company, GUNZE</td> </tr> <tr> <td>Apr. 2021</td> <td>Corporate Officer, Company President of Apparel Company and General Manager of Management Administrative Department, Apparel Company, GUNZE</td> </tr> <tr> <td>Jun. 2021</td> <td>Director, Corporate Officer and Company President of Apparel Company (to present)</td> </tr> </table> <p>Reason for supporting the candidate for Director Mr. Ryoji Kawanishi assumed the position of the Director and Corporate Officer of the Company in June 2021. The Company would like him to serve the Company as a Director, given his ample experience and broad knowledge, mainly in the field of accounting and administration. Moreover, as the Company President of Apparel Company, Mr. Kawanishi has been working on business structure reforms, by accelerating the effort to transform the apparel business into direct-to-consumer (DTC) model to meet changes in the external environment. As Mr. Kawanishi's expertise is deemed essential for continuously promoting GUNZE's group management in the future, the Company proposes that he be elected as a Director.</p>	Apr. 1986	Joined "GUNZE"	Apr. 2017	General Manager of Management Administrative Department, Apparel Company, GUNZE	Apr. 2020	Corporate Officer and General Manager of Management Administrative Department, Apparel Company, GUNZE	Apr. 2021	Corporate Officer, Company President of Apparel Company and General Manager of Management Administrative Department, Apparel Company, GUNZE	Jun. 2021	Director, Corporate Officer and Company President of Apparel Company (to present)	1,532
Apr. 1986	Joined "GUNZE"												
Apr. 2017	General Manager of Management Administrative Department, Apparel Company, GUNZE												
Apr. 2020	Corporate Officer and General Manager of Management Administrative Department, Apparel Company, GUNZE												
Apr. 2021	Corporate Officer, Company President of Apparel Company and General Manager of Management Administrative Department, Apparel Company, GUNZE												
Jun. 2021	Director, Corporate Officer and Company President of Apparel Company (to present)												

Note 1: There is no special interest between the Company and each of the candidates for Directors. No advisor contract has ever been concluded between the Company and any of the firms in which candidates for outside Directors concurrently assume an important post, now or in the past, and the amount of the transaction the Company conducts with these firms is less than 1% of the Company's consolidated net sales.

- Note 2: When nominating candidates for outside Directors, the Company nominated those who met the requirements of the Companies Act, as well as the independence criteria stipulated in the Tokyo Stock Exchange regulations, and who will not cause conflict of interest against general shareholders. Once Ms. Hiroe Nakai, Mr. Osamu Kujiraoka and Ms. Rie Kida are elected, as proposed, the Company will inform the Tokyo Stock Exchange of their appointments as independent officers.
- Note 3: The Company signs directors and officers liability insurance policies with an insurance company to cover the insured to protect them from being liable for decisions and actions they make while performing their duties and resultant liability claims. Each of the Candidates for Directors will be named as insured. At the next renewal time, the Company will renew the insurance policies with the same coverage option.
- Note 4: Candidates for outside Directors
- (1) Agreement to limit liability of the candidates for outside Directors
The Company has entered into a limited liability agreement with Ms. Hiroe Nakai, Mr. Osamu Kujiraoka, and Ms. Rie Kida under which each outside Director's liability to compensate the Company under Article 423, Paragraph 1 of the Companies Act shall be limited to ¥6,000,000 or the minimum amount stipulated by laws and ordinances, whichever is higher, under the condition that the outside Director discharges his/her duties in good faith and without gross negligence. Once Ms. Hiroe Nakai, Mr. Osamu Kujiraoka, and Ms. Rie Kida are elected, as proposed, the Company will enter into the same agreement with them to limit their liability.
- (2) Nomination/Remuneration Committee
At GUNZE, all outside Directors carry out their duties as members of the Nomination/Remuneration Committee. As such, once each outside Director is elected, as proposed, he or she will also become a member of the Nomination/Remuneration Committee.
- (3) Name notation
Ms. Hiroe Nakai's legal name on family register is Hiroe Asami.
- Note 5: Abbreviation of titles
CCO: Chief Compliance Officer
CMO: Chief Marketing Officer
CLO: Chief Logistics Officer
CHO: Chief Human Resources Officer
CCSRO: Chief Corporate Social Responsibility Officer
CRO: Chief Research and Development Officer
- The Company discontinued the Chief Officer system on April 1, 2017.

There are no matters other than the above that need to be stated in the proposition relating to the election of Directors pursuant to Article 74 of the Ordinance for Enforcement of the Companies Act.

Fourth Proposition: Election of One (1) Substitute Corporate Auditor

The term of office of the current Substitute Corporate Auditor will expire at the opening of this Ordinary General Meeting of Shareholders. Therefore, to prepare for a case in which the number of incumbent Corporate Auditors becomes less than the number legally required, the Company’s shareholders are requested to elect one (1) Substitute Corporate Auditor. Election of Substitute Corporate Auditor shall be in effect until the opening of the Ordinary General Meeting of Shareholders for the last of the fiscal years ending within the upcoming four years. Furthermore, the election of Substitute Corporate Auditor at this Ordinary General Meeting of Shareholders may be revoked by a resolution of the Board of Directors with the consent of the Board of Corporate Auditors prior to his assuming the office of Corporate Auditor. The Company has established a policy regarding qualifications for Corporate Auditors and nomination procedures in its Corporate Governance Guidelines. (Refer to the Company’s website: <https://www.gunze.co.jp/ir/policy/governance/>.) The candidate for Substitute Corporate Auditor in this proposition is nominated in accordance with the said policy. Please see “Reference 1” on page 18 and 19 for the applicable matters.

We have obtained consent from the Board of Corporate Auditors with respect to this Proposition.

The candidate is as follows:

Name (Date of Birth)	Brief Personal Record, Current Posts and Additional Important Posts		Number of Shares of the Company Owned
Naoki Maekawa (Jan. 15, 1975)	Oct. 2001 Jan. 2003 Mar. 2006 Dec. 2017 Mar. 2018	Registered as an attorney (at Osaka Bar Association) Corporate Auditor, Curious, Inc. (to present) Established “Shinmei Law Office” Registered as an attorney at law (at the State Bar of California, U.S.A.) Established “Maekawa Law Firm” (to present)	--
<p>Reasons for supporting the candidate for Substitute Corporate Auditor The Company has judged that Mr. Naoki Maekawa would be able to appropriately perform his duties as an outside Corporate Auditor, considering his professional knowledge as an attorney in addition to his ample and wide-ranging international practical experience. Accordingly, the Company nominated Mr. Maekawa as the candidate for Substitute Corporate Auditor.</p>			

Note 1: There is no special interest between the Company and Mr. Naoki Maekawa.

Note 2: When nominating candidates for outside Corporate Auditors, the Company nominating those who met the requirements of the Companies Act, as well as the independence criteria stipulated in the Tokyo Stock Exchange regulations, and who will not cause conflict of interest against general shareholders. Once Mr. Naoki Maeda is elected as an outside Corporate Auditor, the Company will inform the Tokyo Stock Exchange of their appointments as independent officers.

Note 3: The Company signs directors and officers liability insurance policies with an insurance company to cover the insured to protect them from being liable for decisions and actions they make while performing their duties and resultant liability claims. Once Mr. Naoki Maekawa is elected as an outside Corporate Auditor, he will be named as insured.

Note 4: Agreement to limit liability of the candidates for substitute outside Corporate Auditor
The Company has entered into a limited liability agreement with outside Corporate Auditors under which each outside Corporate Auditor’s liability to compensate the Company under Article 34 of the current Articles of Incorporation of the Company shall be limited to ¥6,000,000 or the minimum amount stipulated by laws and ordinances, whichever is higher, under the condition that the outside Corporate Auditor discharges his/her duties in good faith and without gross negligence. Once Mr. Naoki Maekawa is elected as an outside Corporate

Auditor, the Company will enter into the same agreement with him to limit his liability.

There are no matters other than the above that need to be stated in the proposition relating to the election of Corporate Auditors pursuant to Article 76 of the Ordinance for Enforcement of the Companies Act.

[Reference 1]

An Excerpt from GUNZE Corporate Governance Guidelines

1. Qualifications for Directors and Nomination Procedures

(1) The Company's Directors must have an excellent personality, good insight, high skill, abundant experience, as well as a strong sense of ethics.

(2) Upon nominating candidates for Directors, the Company's basic policy is to create a well-balanced Board that is constituted in a manner to achieve diversity in order to ensure swift and proper decision-making and effective oversight of the Group's business activities. To do so, while taking into account diversity including gender and internationality, the Company nominates Directors with knowledge, experience, and skill regarding various business fields, human resources management, finance and accounting, as well as R&D of technologies from the Company's human resources. The Company also nominates a number of outside Directors who are capable of actively providing advice and suggestions from a fair and objective standpoint based on their expert knowledge and experience.

(3) All Directors of the Company shall be elected subject to approval at the General Meeting of Shareholders of each year.

(4) Candidates for new Directors (including substitute Directors) shall be determined at a meeting of the Board of Directors based on the provision of this Article. This will be done after having undergone deliberations by the Nomination/Remuneration Committee regarding the balance of the Board composition in terms of knowledge, experience, and skills, as well as diversity and scale. The Nomination/Remuneration Committee is an advisory body composed of Representative Directors and outside Directors, and is chaired by an outside Director.

2. Qualifications for Audit & Supervisory Board Members and Nomination Procedures

(1) The Audit & Supervisory Board members of the Company must have excellent personality, good insight, high skill, abundant experience, as well as a strong sense of ethics. At least one (1) member of the Audit & Supervisory Board must have sufficient knowledge and expertise on finance and accounting.

(2) Candidates for new Audit & Supervisory Board members (including substitute members) shall be determined at a meeting of the Board of Directors based on the provision of this Article, after having undergone deliberations by the Nomination/Remuneration Committee, and after having received the consent of the Audit & Supervisory Board.

3. Term of Office of Outside Directors and Outside Audit & Supervisory Board Members, and Limitations to Concurrent Posts

(1) The Board of Directors stipulates in its independence criteria that outside Directors and outside Audit & Supervisory Board members, who have held their office for a term exceeding eight (8) years since they first assumed their office,

do not satisfy eligibility criteria for outside Directors and outside Audit & Supervisory Board members, respectively. However, the outside Audit & Supervisory Board members in mid-term may continue to hold their office until the end of their respective terms.

(2) The outside Directors and outside Audit & Supervisory Board members of the Company must not concurrently assume posts of Director or Audit & Supervisory Board member at more than three (3) listed companies besides GUNZE LIMITED.

[Reference 2]

Skill Matrix for Directors and Corporate Auditors (provisional) after the Ordinary General Meeting of Shareholders

GUNZE's Board of Directors shall consist of no more than 15 members, of which at least two shall be outside Directors with a high level of independence. GUNZE's Directors are nominated by taking into account the diversity of the Board in terms of gender, internationality, and other factors to ensure that they will be able to swiftly make appropriate decisions and conduct oversight and supervision of execution for the GUNZE Group's business activities in accordance with the Group's management strategies. To this end, the Board as a whole is composed of inside Directors who have knowledge, experience, and skills concerning each respective business field, finance and accounting, technological development and research, sales and marketing, legal affairs, human resources, etc., as well as two or more outside Directors capable of providing proactive advice and recommendations from a fair and objective standpoint based on their experience of business management at other companies or their outside expert knowledge and experience. The composition of the Board and the nomination of candidates for Directors are decided by the Board of Directors reflecting the Nomination/Remuneration Committee's replies to requests for consultation. Moreover, at least one of the Company's Corporate Auditors shall have appropriate knowledge regarding finance and accounting.

Attributes	Name, Posts, etc.	Years of service [Age]	Nomination/ Remuneration Committee member	Inside executives	Outside executives
				Business management experience	Outside management experience
Directors	Male Atsushi Hirochi Chairman & Representative Director	10 years [62]	●	●	
	Male Toshiyasu Saguchi Representative Director & President	8 years [60]	●	●	
	Independent Hiroe Nakai Female Outside Director	4 years [61]	● (Chair)		
	Independent Osamu Kujiraoka Male Outside Director	3 years [66]	●		●
	Independent Rie Kida Female Outside Director	2 years [53]	●		●
	Male Makoto Kumada Director	5 years [60]			
	Male Katsuhiko Oikawa Director	6 years [59]			
	Male Ryoji Kawanishi Director	1 year [59]		●	
Corporate Auditors	Male Tomio Suzuki Standing Corporate Auditor	1 year [59]			
	Independent Keigo Inoue Male Outside Corporate Auditor	8 years 7 months [58]			
	Independent Yoshio Suzuka Male Outside Corporate Auditor	7 years [69]			
	Male Shinichiro Morita Corporate Auditor	1 year [65]		●	

Attributes	Name, Posts, etc.	Main specialty areas				
		Finance/ Accounting	Production technology/ R&D	Sales/ Marketing	Legal	Inter- nationality
Directors	Male Atsushi Hirochi Chairman & Representative Director			●		
	Male Toshiyasu Saguchi Representative Director & President			●		
	Independent Hiroe Nakai Female Outside Director				●	
	Independent Osamu Kujiraoka Male Outside Director			●		
	Independent Rie Kida Female Outside Director			●		
	Male Makoto Kumada Director	●				
	Male Katsuhiko Oikawa Director		●			
	Male Ryoji Kawanishi Director	●				●
Corporate Auditors	Male Tomio Suzuki Standing Corporate Auditor	●				●
	Independent Keigo Inoue Male Outside Corporate Auditor				●	
	Independent Yoshio Suzuka Male Outside Corporate Auditor	●				
	Male Shinichiro Morita Corporate Auditor		●			