

Social Issues

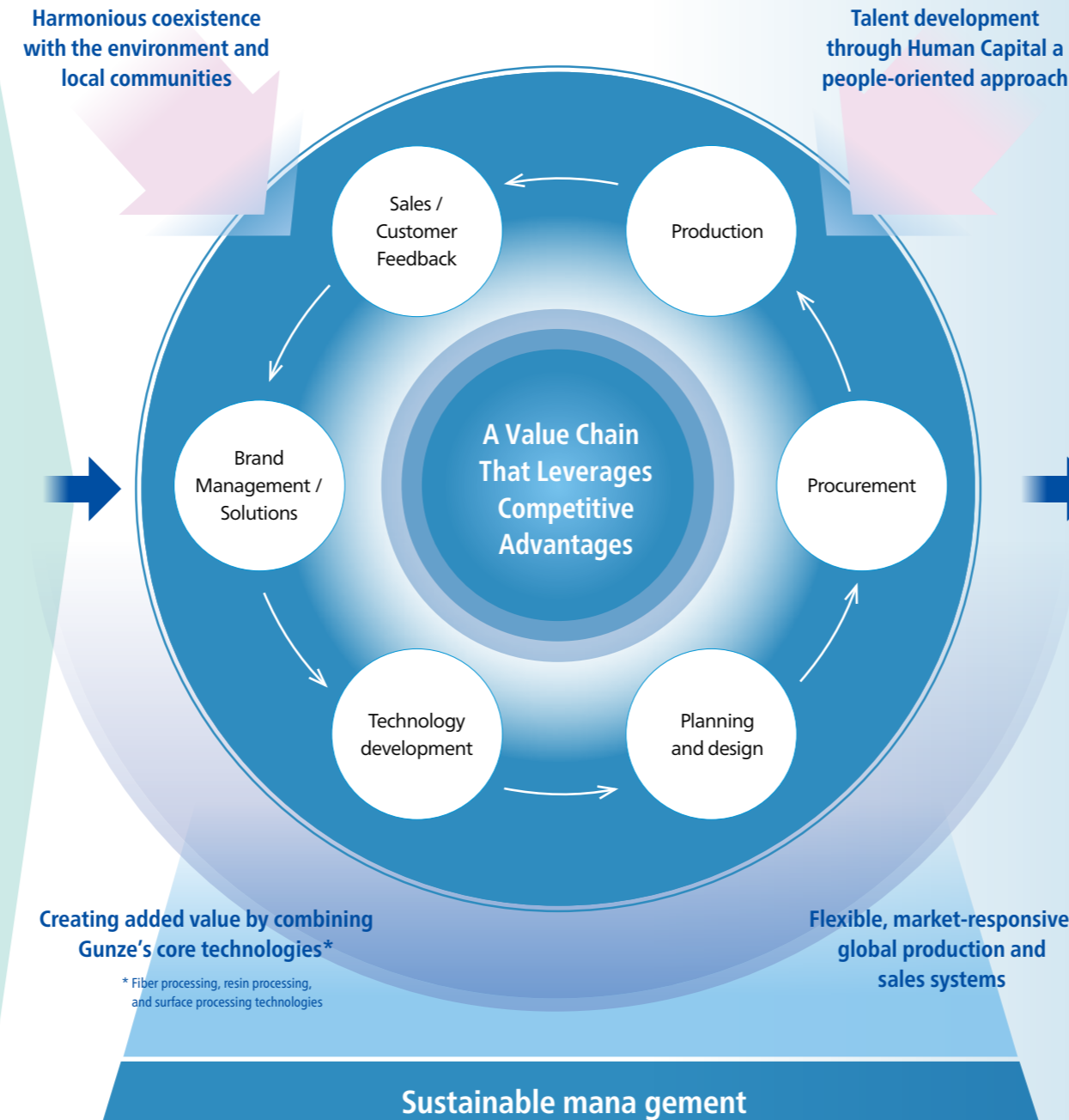
- Responding to the depletion of natural resources
- Reducing environmental impact
- Promoting the reduction of waste and recycling
- Addressing global warming and climate change
- Expanding the use of renewable energy
- Improving quality of life while addressing growing health needs
- Responding to increasingly diverse work styles, employment and careers
- Respecting labor and human rights
- Addressing the shrinking domestic labor market
- Addressing accelerated digitization

INPUT

(March 31, 2023)

Human Capital	
<ul style="list-style-type: none"> People-oriented approach "Three disciplines" taking hold Diversity of talent 	<ul style="list-style-type: none"> Consolidated number of employees (5,214) Employees holding qualifications (1,336) <p>* Number of employees incentivized to obtain a qualification</p>
Manufactured Capital	
<ul style="list-style-type: none"> Robust production system with powerful manufacturing expertise Total cost competitiveness IT communications environment 	<ul style="list-style-type: none"> Number of global bases 8 countries Domestic affiliated companies 27 companies Overseas affiliated companies 30 companies
Financial Capital	
<ul style="list-style-type: none"> Stable financial standing Medium- to long-term capital policies Cost of capital-based management 	<ul style="list-style-type: none"> Net assets 117,691 million yen Interest-bearing debt 15,426 million yen
Natural Capital	
<ul style="list-style-type: none"> Environmentally friendly products/services Wholesaling of plants and trees 	<ul style="list-style-type: none"> Energy consumption (domestic) 46,389 kL (Crude oil equivalent)
Intellectual Capital	
<ul style="list-style-type: none"> Broad range of intellectual properties and technologies, from textiles to polymers Corporate brand loyalty 	<ul style="list-style-type: none"> Know-how Number of R&D personnel 65 Number of industry-government-academia collaboration projects 19 projects (FY2021 results) Number of patents acquired Domestic 655; overseas 249 Number of designs acquired Domestic 200; overseas 8 Number of trademarks acquired Domestic 1,946; overseas 796 Number of utility model patents acquired Domestic 23; overseas 6
Social and Relationship Capital	
<ul style="list-style-type: none"> Activities to address social issues through collaboration with local communities Sustainable procurement based on harmonious coexistence and coprosperity 	<ul style="list-style-type: none"> Diverse partnerships (suppliers, external research organizations, customers, local public organizations, etc.) Brand power Share of domestic market: Shrink film approx. 40% Bioabsorbable reinforcement felts approx. 90% Artificial dermis approx. 40% Number of apparel products sold annually in Japan 110 million units Collaboration with local communities

BUSINESS MODEL



OUTPUT

(March 31, 2023)

Functional Solutions Business ▶ P.40

- Plastic Films Business
- Engineering Plastics Business
- Medical Materials Business
- Electronic Components Business
- Mechatronics Business

Apparel Business ▶ P.42

- Innerwear Business
- Legwear Business
- House Casual Business
- Threads & Accessories Business
- Retail Business

Lifestyle Creations Business ▶ P.44

- Real Estate-related Business
- Sports Club Business
- Landscaping and Greening Business

OUTCOME

(March 31, 2023)

Gunze Group's Value Propositions

Safety

Security

Comfort

People and Earth-focused Products/Services

FY2022 Results

Human Capital

- Ratio of women employees (non-consolidated) 33.9%
- Ratio of women in managerial roles 5.1%
- Ratio of women corporate officers 13.0%
- Improvement of engagement (Engagement score = 62 pt. / Survey results fiscal year ended March 31, 2023)
- Work-life balance: Paternity/maternity leave utilization rate 36.0%/100%, Average number of annual leave days taken 14.1

Manufactured Capital

- Capital investment costs 9,597 million yen

Financial Capital

- Return of profits to shareholders (dividend per share) 147 yen (2.5 billion yen in total)
- Total shareholder return (TSR) 84.8%

Natural Capital

- Amount invested in the environment through the procurement of green loans 4.5 billion yen
- CO₂ emissions (Domestic + Overseas) Scope1+Scope2* 118,324t-CO₂ (Compared with FY2013 BM: 31% reduction) * Gunze Group total
- No. of plants with ISO 14001 certification 14 business sites (As of March 31, 2023)

Intellectual Capital

- R&D expenses 2,501 million yen
- Number of patents published 108 (Domestic 76, overseas 32)
- Number of industry-government-academia collaboration projects (22 projects/FY2022 result)

Social and Relationship Capital

- Brand awareness 73.4% (Nikkei Brand Japan 2023 Survey)
- Contributions to the local community: Entered into regional comprehensive agreements with Osaka Prefecture, Osaka City, and Kyoto Prefecture; Model Forest Movement (forest conservation activity) 36 participants per activity, total participants: 144 (collaboration with Kyoto Prefecture); Joined the emergency disaster response alliance SEMA; Love Earth activities (support for six organizations, including NPOs)