

Value Creation Model

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, 2024)

Human Capital

- People-oriented approach
- "Three disciplines" taking hold
- Diversity of talent
- Consolidated number of employees (5,214)
- Employees holding qualifications (1,336)
- * Number of employees incentivized to obtain a qualification

Manufactured Capital

- Robust production system with powerful manufacturing expertise
- Total cost competitiveness
- IT communications environment
- Number of global bases 10 countries
- Domestic affiliated companies 29 companies
- Overseas affiliated companies 28 companies

Financial Capital

- Stable financial standing
- Medium- to long-term capital policies
- Cost of capital-based management
- Net assets 117,691 million yen
- Interest-bearing debt 15,426 million yen

Natural Capital

- Environmentally friendly products / services
- Wholesaling of plants and trees
- Energy consumption (domestic) 43,445 kL (Crude oil equivalent)

Intellectual Capital

- Broad range of intellectual properties and technologies, from textiles to polymers
- Corporate brand loyalty
- Know-how
- Number of R&D personnel 49
- Number of industry-government-academia collaboration projects 29 projects (FY2023 results)
- Number of patents acquired Domestic 691; overseas 249
- Number of designs acquired Domestic 216; overseas 10
- Number of trademarks acquired Domestic 1,934; overseas 803
- Number of utility model patents acquired Domestic 20; overseas 4

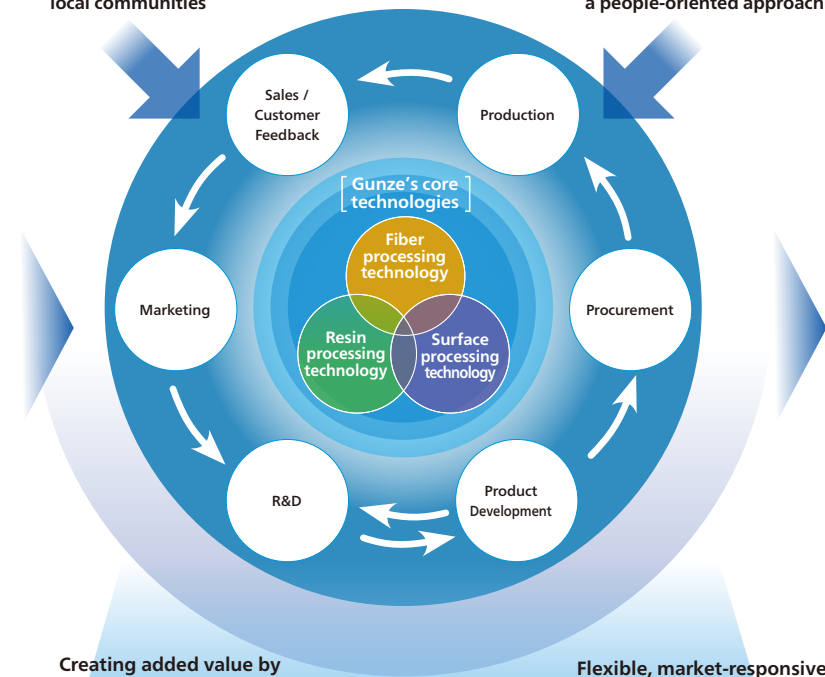
Social and Relationship Capital

- Activities to address social issues through collaboration with local communities
- Sustainable procurement based on harmonious coexistence and coprosperity
- 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 / A Value Chain That Leverages Competitive Advantages

Harmonious coexistence with the environment and local communities

Talent development through Human Capital a people-oriented approach



Creating added value by combining Gunze's core technologies*

* Fiber processing, resin processing, and surface processing technologies

Flexible, market-responsive, global production and sales systems

Sustainable management

Management Foundation

Finance

▶P.28~

Human resources

▶P.32~

R&D

▶P.38~

IP, Legal

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Environment

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Governance

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OUTPUT

(March 31, 2024)

Functional Solutions Business ▶P.46



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

Medical Business ▶P.48



- Medical Materials Business

Apparel Business ▶P.50



- Innerwear Business
- Legwear Business
- Lifestyle Apparel Business
- Threads & Accessories Business

Lifestyle Creations Business ▶P.52



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

OUTCOME

(March 31, 2024)

FY2023 Results

Human Capital

- Ratio of women employees (non-consolidated) 33.8%
- Ratio of women in managerial roles 7.0%
- Ratio of women corporate officers 13.6%
- Improvement of engagement (Engagement score = 62 pt. / Survey results fiscal year ended March 31, 2024)
- Work-life balance
- Paternity/maternity leave utilization rate 42.0%/100%
- Average number of annual leave days taken 14.9

Manufactured Capital

- Capital investment costs 9,147 million yen

Financial Capital

- Return of profits to shareholders (dividend per share) 153 yen (2.6 billion yen in total)
- Total shareholder return (TSR) 138.3%

Natural Capital

- CO₂ emissions (Domestic + Overseas) Scope 1+Scope 2* 115,517-CO₂ (Compared with FY2013 BM: 33.0% reduction)
- * Gunze Group total
- No. of plants with ISO 14001 certification 14 business sites

Intellectual Capital

- R&D expenses 2,471 million yen
- Number of patents published 80 (Domestic 52, overseas 28)

Social and Relationship Capital

- Brand awareness 77.1% (Nikkei Brand Japan 2024 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) Four times, total participants: 125 (collaboration with Kyoto Prefecture)
- Joined the emergency disaster response alliance SEMA
- Love Earth activities (support for six organizations, including NPOs)

IMPACT

Safety

Security

Comfort

Solving social issues through comfort solutions for life