

# The Purpose of Our Existence

Founding Philosophy

Striving for harmonious coexistence with all stakeholders surrounding the Company through a people-oriented approach and a commitment to quality



## Master Brand Message

Gunze contributes to the realization of a sustainable society through people and earth-focused products and services.

## Brand Statement

# Comfort Solutions for Life



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# A Track Record of Value Creation

Gunze has continued to provide products and services that address social issues and changes in the business environment as a going concern for 127 years.

**Founding Philosophy** Founder Tsurukichi Hatano



**Corporate Motto**

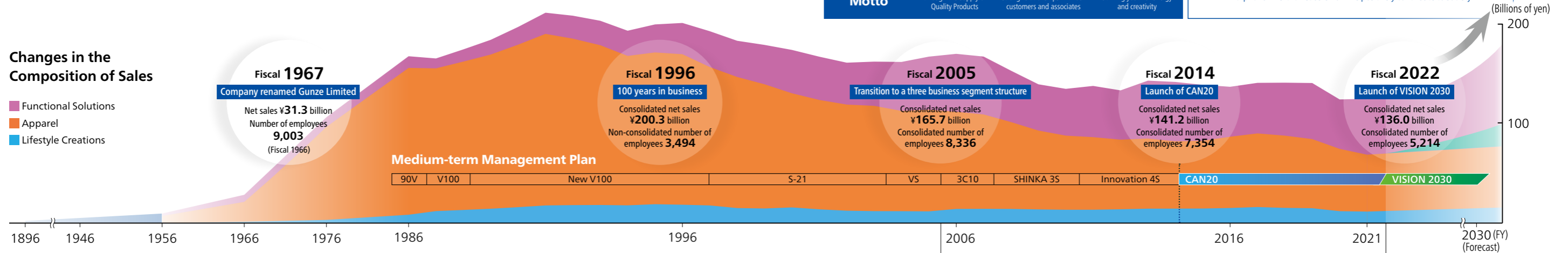
1. Contribute to Society through the Supply of Quality Products
2. Operate with integrity to build strong relationships with our customers and associates
3. Aim at global leader by utilizing youthful energy and creativity

**Management Philosophy**

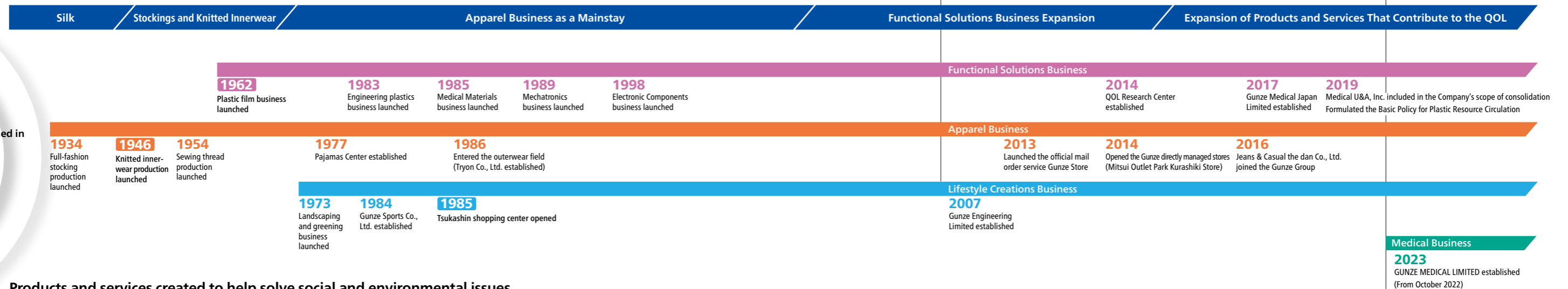
The Gunze Group has consistently lived up to the founding philosophy of "Striving for a harmonious coexistence with all stakeholders through a people-oriented approach and a commitment to quality." This philosophy serves as the "warp" threads of our corporate management, while our business operations represent "weft" threads, which serve to meet the expectations of our society sincerely and flexibly. The combination of these "warp" and "weft" threads is how we positively contribute to society.

## Changes in the Composition of Sales

- Functional Solutions
- Apparel
- Lifestyle Creations



## Evolution of the Group's Principal Businesses



## Products and services created to help solve social and environmental issues

|  |   |  |  |   |
|--|---|--|--|---|
| <p><b>1896~</b></p> <p>Establishment of a silk manufacturing company to contribute to the local community through the development of local industry</p> <p>The district of Ikaruga, Kyoto has served as home to the silk industry in Japan, a local undertaking that has existed since ancient times. Owing to its low quality and difficulties in marketing the silk over an extensive area, the industry was forced to urgently improve its structure to secure local community growth. Against this backdrop, Gunze's founder, Tsurukichi Hatano, established a silk manufacturing company to contribute to the local community by revitalizing the local silk industry. With his belief that good people make good silk, Hatano was dedicated to employee education to help ensure the high quality of products.</p> | <p><b>1930~</b></p> <p>Improving people's lifestyles through rapid expansion of apparel products (hosiery and knitted innerwear) after the end of WWII</p> <p>The development of rayon in the United States caused a substantial drop in the price of silk. Moreover, the expansion of synthetic fibers led to a sharp decline in the production of raw silk, forcing the silk industry to suspend operations. Gunze began manufacturing full-fashion silk stockings as a secondary processed product to replace raw silk. After World War II, Gunze shifted its focus to the production of nylon stockings, helping promote the spread of stockings through reasonable pricing. Gunze also started the production of knitted innerwear soon after the end of the war. In pursuit of "Golden quality for silver prices," Gunze explored the "why" as the company sought to ensure superb quality for its products. As a result, Gunze knitted innerwear became known as "national innerwear."</p> | <p><b>1960~</b></p> <p>Tackling the challenge as a technology-oriented company through the development of applications for new materials</p> <p>With the rapid growth of the petrochemical industry and the increased consumption of plastic resins, plastic products quickly came to replace many everyday items. Gunze made the foray into the plastic field as a new business venture. The Company began with the production of packaging films for its stockings. Thereafter Gunze undertook the development of shrink film tubing. This was followed by the development of various new products and technologies using fluororesin and high-performance resin processing. This helped the Company expand into the fields of engineering plastics and electronic components. Through its functional solutions business, Gunze was working to consistently create new solutions as a core business for a diversity of applications.</p> | <p><b>1985~</b></p> <p>Presenting new, enriched lifestyle culture through diversified apparel products and multifaceted business operations</p> <p>The 1980s have been referred to as the age of the "individual," bringing about changes in lifestyles, including the emergence of a highly sensitive consumer class. Against this backdrop, companies were required to respond to the diverse needs of consumers who placed considerable emphasis on one-of-a-kind products that they considered theirs and theirs alone. As consumer preferences and purchasing patterns diversified, Gunze expanded its apparel product lineups to meet a wider range of consumer requirements. Gunze's apparel products attracted many loyal customers thanks to their innovative functions and fashionable appeal. At the same time, Gunze redeveloped the premise of its former factory to open a commercial facility. This also helped Gunze create a new lifestyle culture in terms of both clothing and housing.</p> | <p><b>2023~</b></p> <p>Creating new value by combining the functional solutions, medical, apparel, and lifestyle creation businesses</p> <p>While the market share of developed countries is shrinking, emerging countries such as China are expanding. Under these circumstances, building a business structure that can respond to rapid changes in the structure of society and the economy is a prerequisite for growth. In addition, calls on corporate management to remain vigilant toward climate change are intensifying. Against the backdrop of an aging population and increasing health consciousness, Gunze is working to enhance people's quality of life (QOL) by developing products designed to create new value in its apparel, plastic films, medical, and sports club businesses. In the sports club field, Gunze has launched new club operations in collaboration with local communities to help extend healthy lifespans.</p> |
|--|---|--|--|---|

## Management Philosophy Preserved Across the Gunze Group

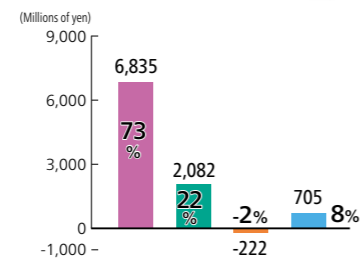
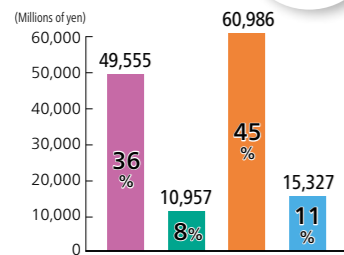
| 1963  | 1969  | 1976            | 1997                  | 1998              | 2007                   | 2012          | 2019  | 2021   | 2022                        |
|---|---|-----------------|-----------------------|-------------------|------------------------|---------------|---|--|-----------------------------|
| Three Important Character Traits<br>Sincerity, Affection, Modesty | Three Disciplines<br>•Exchange greetings •Keep your personal belongings in order •Participate in cleaning | Corporate Motto | Environmental Charter | Action Guidelines | Gunze Group CSR Policy | Brand Charter | Basic Policy for Plastic Resource Circulation | Gunze Group Sustainable Procurement Guidelines | GUNZE'S HUMAN RIGHTS POLICY |

Gunze's businesses continue to create new value

Established in 1896

Net sales in fiscal 2022 **136,030 million yen**

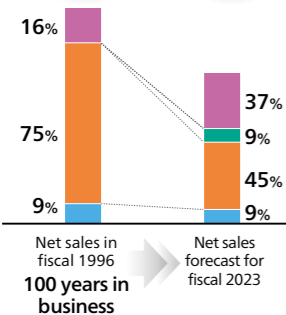
Operating income in fiscal 2022 **5,812 million yen**



Changes in the portfolio (net sales)

**200,340 million yen**

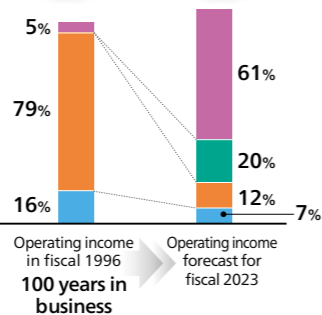
**140,000 million yen**



Changes in the portfolio (operating income)

**7,014 million yen**

**7,500 million yen**



■ Functional Solutions ■ Medical ■ Apparel ■ Lifestyle Creations

\* The total of consolidated net sales and operating income (after Group-wide adjustment). Breakdown of net sales and operating income by segment (before Group-wide adjustment).

Number of global bases **8 countries**

Domestic affiliated companies

**27 companies**

Overseas affiliated companies

**30 companies**

R&D bases

**2 bases**

Number of employees **5,214 (consolidated)**

Functional Solutions Business

Since entering the plastic films field in 1962, the functional solutions business has worked to develop various applications for engineering plastics and electronic components by combining its core resin processing and surface processing technologies. This business segment will expand further by developing one-of-a-kind products used in a wide range of fields, from the approach of both materials and devices.

▶ P.40

Medical Business

Gunze manufactures and markets medical devices with an excellent technology that the company developed over many years.

▶ P.41

Apparel Business

Ever since we began manufacturing stockings in 1934 and knitted innerwear in 1946, the apparel business has attracted countless customers who have continued to favor its products for their superior quality, innovative functionality, and fashion sense.

▶ P.42

Lifestyle Creations Business

The lifestyles creations business contributes to a higher QOL through the use of Gunze's technologies and know-how.

▶ P.44

Products and Services

Segment Overview



Plastic films

- Shrink films
- Shrink tubes
- Nylon films
- OPP films
- Flexible Multi-layered sheet

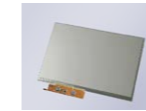
Development, manufacture and sale of products that are closely related to daily life, such as beverages, groceries, toiletry products, and packaging films for fresh foods.



Engineering plastics

- Transfer belt
- Fluor resin tubes
- Functional parts for semiconductors
- Functional parts for the health and medical fields
- Other fluorine products

Development, manufacture and sale of OA equipment and functional parts used in manufacturing processes in all the industries.



Electronic components

- Touch panels

Development, manufacture and sale of touch panels for personal computers, in-vehicle devices, and medical devices.



Mechatronics

- Equipment for packaging and packaging
- Printing peripherals

Design, manufacture and sale of labor-saving and other types of equipment for the packaging, printing, dairy, beverage, food processing, and pharmaceutical industries.



Medical materials

- Bioabsorbable reinforcement felts
- Bioabsorbable bone fixation devices
- Artificial dermis
- Bioabsorbable dural substitutes
- Bioabsorbable surgical suture thread
- Bioabsorbable adhesion barriers
- Medical lasers

Development, manufacture and sale of medical devices such as bioabsorbable surgical suture thread, bioabsorbable reinforcement felts, and bioabsorbable bone fixation devices, and cosmetic medical devices such as medical lasers.



Innerwear

- Innerwear (men's, women's, kid's)

In response to diversifying needs, the products are developed based on various concepts.



Legwear

- Socks (men's, women's)
- Stockings

The products are developed based on both fashion and functionality approaches.



Lifestyle

- Outerwear
- Nightwear
- Home wear

Outerwear, nightwear, and home wear that prioritizes lifestyles, all of which are particular about materials and functions.



Thread and accessories

- Sewing thread for automobile materials
- Sewing thread for industrial materials

The Company has developed a wide range of products, from different sewing threads with new functions and threads for clothing to various industrial materials.



Retail

- GUNZE
- Jeans / Casual Dan

The Company has directly managed stores, outlet stores, and casual wear specialty stores.



Real estate

- Commercial facility and spa management
- Real estate development
- Engineering and energy-saving service

Based on the use of land owned by Gunze, the Company develops real estate and offers services including commercial facility management, housing and office building rentals, and energy-saving management.



Sports club

- Sports club and swimming school management

The Company manages community-based sports clubs and offers high-quality services and options.



Landscaping and greening

- Tree sales
- Flower sales

The Company contributes to the creation of an environment that will lead to the future, such as tree sales that supply trees and seedlings and flower sales that add color to everyday life.