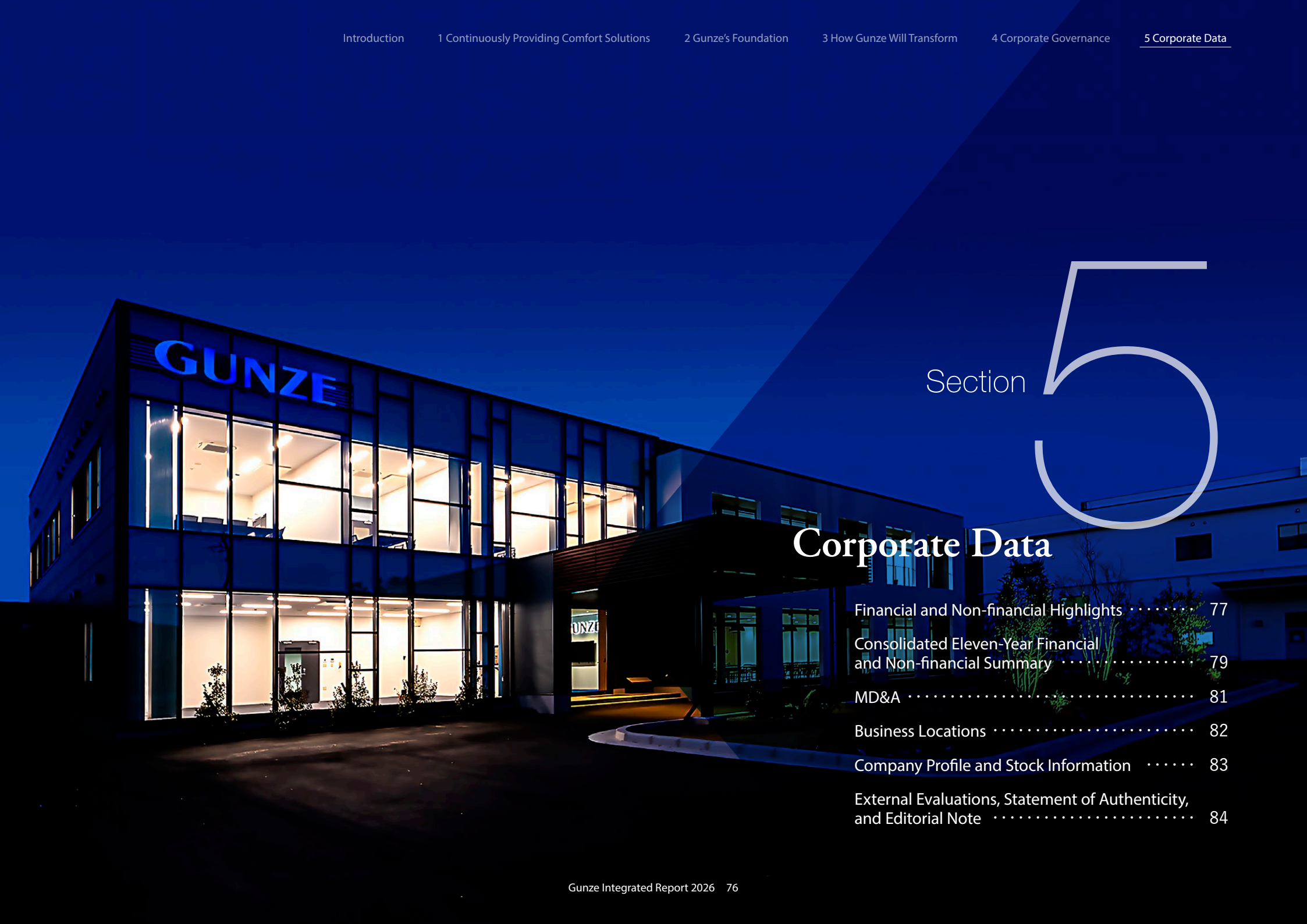

Section 5

Corporate Data

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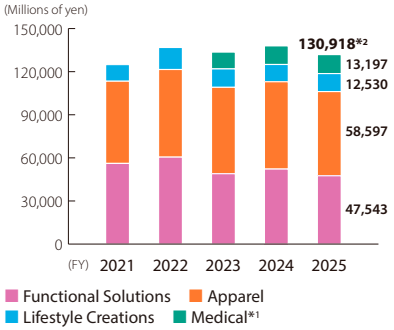
Financial and Non-financial Highlights

Financial

*1 The medical materials field, which was included in the Functional Solutions segment, was split off as the independent Medical segment from FY2023.

Net Sales by Segment

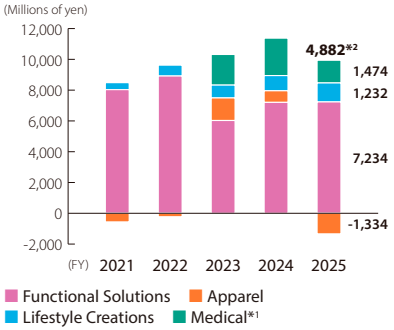
*2 Total data is consolidated net sales: After Group-wide adjustment



Net sales decreased due to the termination of the electronic components business, a decline in overseas sales of plastic films, and decreased sales in the apparel business.

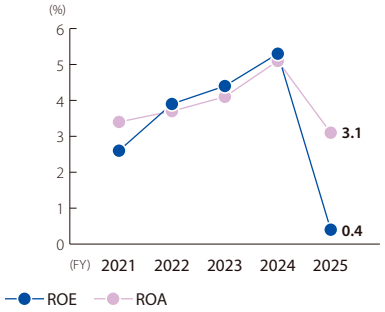
Operating Profit by Segment

*2 Total data is consolidated operating profit: After Group-wide adjustment



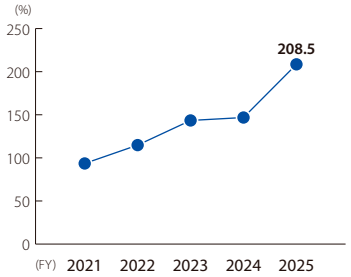
Operating profit decreased due to the impact of inventory write-downs in the apparel business, sluggish sales in China in the medical business, and increases in fixed costs and other expenses.

ROE/ROA



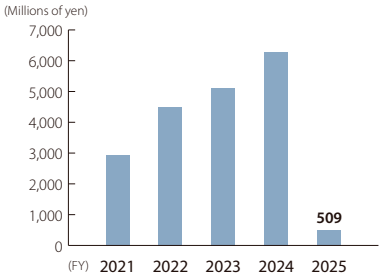
ROE fell 4.9 points year on year and ROA fell 2.0 points year on year in line with the decline in net income and ordinary income.

Total Shareholder Return (TSR)



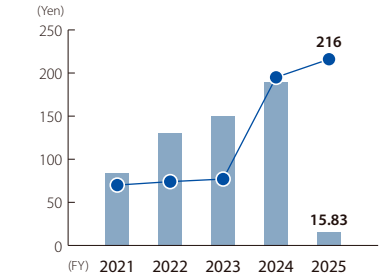
Total Shareholder Return (TSR) in FY2025 came in at 208.5% compared with the base year of FY2020, up 61.7 percentage points from the TSR for FY2024 of 146.8% using the same benchmark.

Profit Attributable to Owners of Parent



Due to factors such as the impact of business restructuring expenses in the apparel business recorded in the first quarter, profit attributable to owners of parent decreased by ¥5,769 million.

Net Income per Share/Dividends per Share

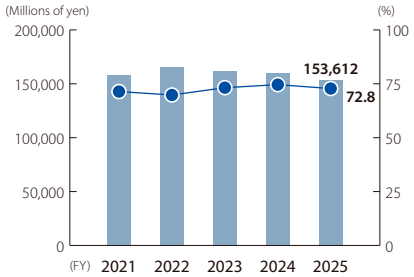


Net Income per Share — Dividends per Share

The annual dividend for FY2025 was raised to ¥216 per share. The annual dividend for FY2026 is projected to come in at ¥216 per share.

(Including prior years, based on stock splits)

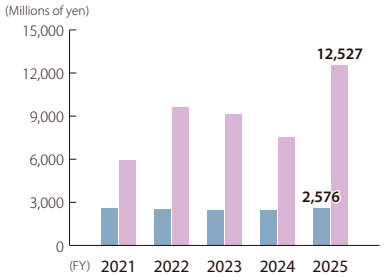
Total Assets/Equity Ratio



Total Assets (Left axis) — Equity Ratio

Total assets decreased by ¥6.0 billion year on year due to decreases in notes and accounts receivable, merchandise and finished goods, and other factors. The equity ratio fell 1.8 points year on year to 72.8%.

R&D Expenses/Capital Investments



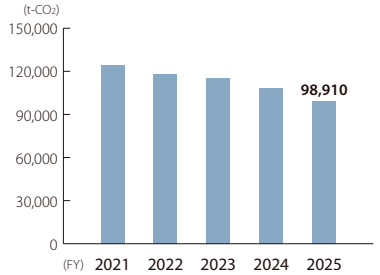
R&D Expenses — Capital Investments

In FY2025, we invested ¥12,527 million primarily in expanding factories and increasing production facilities in the engineering plastics field and medical business.

Financial and Non-financial Highlights

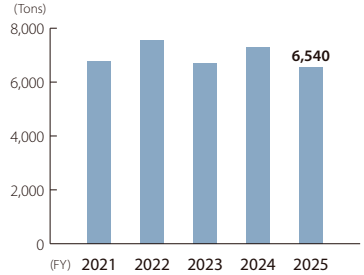
Non-financial

CO_2 Emissions (Japan + Overseas) Scope 1 + Scope 2



Through ongoing energy conservation efforts and the use of renewable energy, CO_2 emissions were reduced by 42.7% (compared to FY2013).

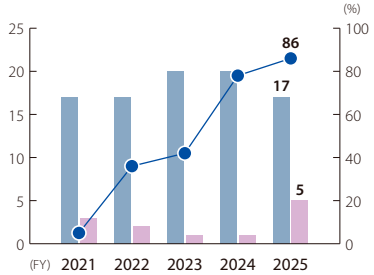
Total Waste Generated (Japan)



The total amount of waste generated in FY2025 was 6,540 tons, a decrease of 771 tons year on year. We are committed to reducing the amount of waste generated and promoting recovery and recycling.

* Total waste generated: Total weight of waste generated through business activities (including waste sold as valuable resources)

Number of Employees Taking Childcare and Nursing Care Leave/Men's Paternity Leave Utilization Rate*

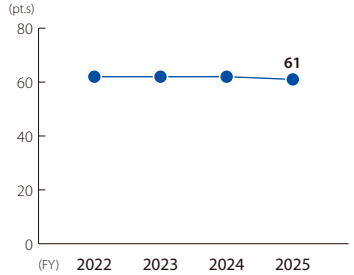


■ Number of Employees Taking Childcare Leave
■ Number of Employees Taking Nursing Care Leave
—●— Men's Paternity Leave Utilization Rate (Right axis)

The men's paternity leave utilization rate, which is promoted as a form of child-rearing support, exceeded the previous year's result (78%) to reach 86%.

* Results calculated based on the "year of utilization" (retroactive application to past results)

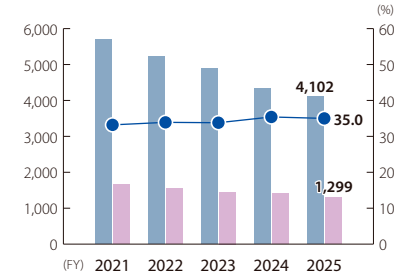
Engagement Score*



The engagement score remained at the same level as the previous year at 61 points.

* Scope: Employees, rehired employees after retirement (users of company email addresses)

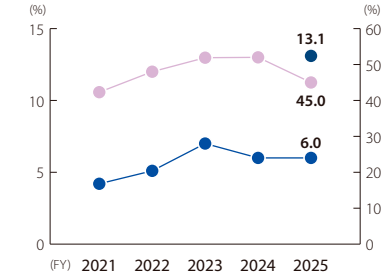
Number of Employees and Ratio of Women Employees in the Workforce



■ Number of Employees (Consolidated)
■ Number of Employees (Non-consolidated)
—●— Ratio of Women Employees in the Workforce (Non-consolidated/Right axis)

The number of employees decreased on both a consolidated and non-consolidated basis. The percentage of female employees fell 0.4 points from the previous year to 35.0%.

Ratio of Women in Managerial Positions/ Ratio of Women Hired on a Main Career Track

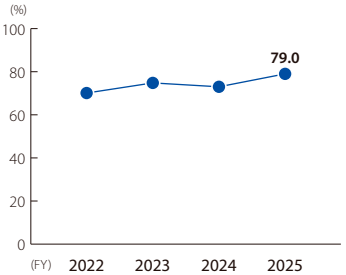


—●— Ratio of Women in Managerial Positions (Non-consolidated)
—●— Ratio of Women in Managerial Positions (Consolidated)
—●— Ratio of Women Hired on a Main Career Track (Right axis)

The ratio of women hired on a main career track decreased slightly from the previous fiscal year. The ratio of women in managerial positions has been calculated to include consolidated subsidiaries from FY2025. Since figures for FY2024 and earlier have not been calculated, they are not shown.

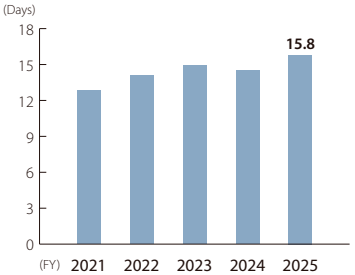
(The ratio of women hired on a main career track excludes women working rotating shifts.)

Annual Paid Leave Utilization Rate



The annual paid leave utilization rate rose 6.0 points year on year to 79.0%.

Average Number of Days of Annual Paid Leave Taken



The average number of days of annual leave taken exceeded the previous year's result of 14.8 days to reach 15.8 days.

Consolidated Eleven-Year Financial and Non-financial Summary (As of March 31, 2026)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Year-on-year
Results for the year												
Net sales (millions of yen)	138,324	136,579	140,521	140,706	140,311	123,649	124,314	136,030	132,885	137,117	130,918	95.5%
Overseas net sales (millions of yen)	29,776	25,574	24,556	24,572	23,817	19,337	24,099	26,848	25,417	28,069	27,525	98.1%
Overseas sales ratio (%)	21.5%	18.7%	17.5%	17.5%	17.0%	15.6%	19.4%	19.7%	19.1%	20.5%	21.0%	102.7%
Operating income (millions of yen)	3,662	4,206	6,239	6,690	6,746	4,673	4,880	5,812	6,777	7,921	4,882	61.6%
Profit attributable to owners of parent (millions of yen)	-1,201	3,102	3,486	4,087	4,387	2,147	2,939	4,501	5,109	6,279	509	8.1%
Financial position at year-end												
Total assets (millions of yen)	169,749	169,460	171,273	169,632	166,633	159,629	158,216	165,927	161,971	159,677	153,612	96.2%
Interest-bearing debt (millions of yen)	31,407	28,469	28,374	26,242	25,067	17,613	11,029	15,426	9,004	8,960	13,964	155.8%
Shareholders' equity (millions of yen)	105,158	108,153	111,141	109,506	107,566	113,554	112,903	115,757	118,642	119,074	111,756	93.9%
Equity ratio (%)	61.9	63.8	64.9	64.6	64.6	71.1	71.4	69.8	73.2	74.6	72.8	–
D/E ratio (times)	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	
Cash flows												
Net cash provided by (used in) operating activities (millions of yen)	11,775	13,832	9,007	11,491	13,688	8,595	9,155	1,794	10,409	11,572	17,271	–
Net cash provided by (used in) investing activities (millions of yen)	-12,046	-7,834	-5,954	-7,373	-8,262	1,169	6,806	-5,920	-190	-7,485	-11,585	–
Free cash flows (millions of yen)	-271	5,998	3,053	4,118	5,426	9,764	15,961	-4,126	10,219	4,087	5,686	–
Net cash provided by (used in) financing activities (millions of yen)	-1,274	-4,116	-1,783	-5,483	-4,886	-9,335	-12,358	1,007	-11,347	-5,184	-6,320	–
Management indicators												
ROA (%)	0.5	2.8	3.8	4.2	4.1	3.1	3.4	3.7	4.1	5.1	3.1	–
ROE (%)	-1.1	2.9	3.2	3.7	4.0	1.9	2.6	3.9	4.4	5.3	0.4	–
ROIC (%)	1.9	2.2	3.1	3.4	3.5	2.5	2.7	3.1	3.7	4.3	2.7	–
Per share information*1												
Net income (yen)	–	82.97	94.65	112.80	122.50	60.47	84.46	130.69	150.55	189.70	15.83	–
Total net assets (yen)	2,812.12	2,892.42	3,042.23	3,029.53	3,030.55	3,209.81	3,267.71	3,394.89	3,556.36	3,667.20	3,565.39	–
Dividends (yen)	42.5	37.5	45.0	55.0	57.5	57.5	70.0	73.5	76.5	195.0	216.0	–
Payout ratio (%)	–	45.2	47.5	48.8	46.9	95.1	82.9	56.2	50.8	102.8	1,364.5	–

*1 On October 1, 2017, the Company conducted a reverse stock split of 1 share for every 10 shares, and on April 1, 2025, it conducted a stock split of 2 shares for every 1 common share. However, the per-share information reflects figures that have been retroactively adjusted to reflect the effects of the reverse stock split and stock split.

Consolidated Eleven-Year Financial and Non-financial Summary (As of March 31, 2026)

		FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Year-on-year
Others													
Capital investments (millions of yen)		8,586	9,739	5,536	7,346	5,380	7,845	5,947	9,597	9,147	7,538	12,527	–
Depreciation (millions of yen)		6,604	6,862	6,528	6,650	6,502	6,289	6,191	5,894	6,208	6,867	7,305	–
R&D expenses (millions of yen)		3,135	3,074	3,000	2,824	2,953	2,752	2,576	2,501	2,471	2,445	2,576	–
Number of employees (consolidated)		6,858	7,038	6,754	6,607	6,185	5,808	5,692	5,214	4,883	4,339	4,102	–
Number of employees (non-consolidated)		1,842	1,833	1,757	1,703	1,743	1,718	1,662	1,553	1,449	1,401	1,299	–
Segment information (Operating segments)													
Net sales	Functional solutions (millions of yen)	56,171	50,195	50,828	53,234	56,361	49,673	56,138	60,340	48,975	52,204	47,543	91.1%
	Medical*1 (millions of yen)	–	–	–	–	–	–	–	–	11,697	12,949	13,197	101.9%
	Apparel (millions of yen)	68,164	71,629	74,012	72,609	69,491	62,640	57,197	60,986	60,114	60,782	58,597	96.4%
	Lifestyle creations (millions of yen)	14,635	15,168	16,122	15,285	14,945	11,976	11,576	15,327	12,826	12,005	12,530	104.4%
Segment profit	Functional solutions (millions of yen)	3,440	3,468	5,381	6,160	6,120	4,852	8,032	8,918	6,028	7,205	7,234	100.4%
	Medical*1 (millions of yen)	–	–	–	–	–	–	–	–	1,991	2,430	1,474	60.7%
	Apparel (millions of yen)	2,232	2,505	2,628	2,507	2,743	2,306	-557	-222	1,465	753	-1,334	–
	Lifestyle creations (millions of yen)	1,221	1,322	1,386	1,241	1,187	482	453	705	833	988	1,232	124.7%
Environmental responsiveness													
Total waste generated*2 (Japan) (tons)		8,026	7,261	7,633	8,431	7,692	7,526	6,787	7,553	6,713	7,311	6,540	–
CO_2 emissions (Japan + Overseas) Scope 1 (t-CO_2)		–	–	–	–	42,093	37,459	38,979	38,643	34,732	31,056	28,547	–
CO_2 emissions (Japan + Overseas) Scope 2 (market-based) (t-CO_2)		–	–	–	–	90,208	86,136	85,177	79,678	80,785	77,400	70,364	–
CO_2 emissions (Japan + Overseas) Scope 2 (location-based) (t-CO_2)		–	–	–	–	–	–	–	–	–	74,392	72,786	–
CO_2 emissions (Japan) Scope 3 (t-CO_2)		–	–	–	–	–	–	411,434	423,860	390,856	395,637	382,151	–
Employee-related data													
Employment rate of people with disabilities (%)		2.28	2.23	2.05	2.40	2.10	2.25	2.07	2.20	2.54	2.77	2.80	–
Average length of service (years)		20.3	20.0	20.5	20.4	20.1	20.2	20.2	19.8	20.0	19.9	19.1	–
Number of occupational accidents (incidents)		34	26	39	28	42	30	37	32	31	34	34	–
Single fiscal year job turnover*3 (%)		8	7	8	7	5	5	7	12	8	8	19	–

*1 The medical materials field, which was included in the functional solutions segment, was split off as the independent medical segment from FY2023.
*2 Total weight of waste generated through business activities, including waste sold as valuable materials.
*3 Employees who left the Company include mandatory retirees, as well as employees transferred due to business transfers in fiscal 2022 and those who left in connection with the Apparel Business structural reforms in fiscal 2025.

MD&A (Analysis of Financial Position, Operating Results, and Cash Flows)

FY2025 Performance Overview

	FY2024	FY2025	YoY Change
Net sales (Billions of yen)	137.1	130.9	↓ -6.1
Operating profit (Billions of yen)	7.9	4.8	↓ -3.0
ROE (%)	5.3	0.4	↓ -4.9

In FY2025, the first year of the Medium-term Management Plan VISION 2030 stage2, we strengthened the growth foundations of the Functional Solutions and Medical businesses while advancing structural reforms in the Apparel Business. Net sales decreased, however, due to the impact of the electronic components business, for which operations ceased at the end of the previous fiscal year, as well as lower overseas sales of plastic films and lower sales through existing channels in the Apparel Business. On the profit front, results were affected by approximately ¥1.9 billion in inventory valuation losses recorded in the Apparel Business as part of inventory optimization, business restructuring expenses, and sluggish sales in China in the Medical Business. Despite these factors, we steadily strengthened our business foundations for future growth.

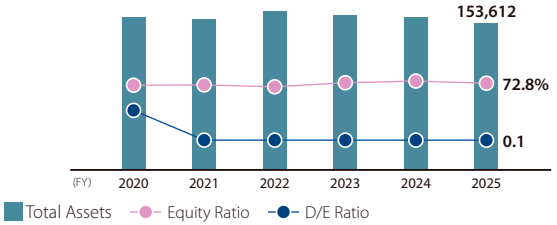
Segment performance (Billions of yen)

	Net sales/ Operating profit	FY2024	FY2025	YoY Change	Factors	Direction Going Forward
Functional Solutions Business	Net sales	52.20	47.54	↓ -4.66	• Plastic films: Rolled out new environmentally friendly products, but overseas business remained challenging • Engineering plastics: Affected by prolonged inventory adjustments in the semiconductor market • Electronic components: Operations ceased	• Plastic films: Promote a resource-recycling business model • Engineering plastics: Pursue growth by strengthening the medical and semiconductor fields and developing the energy field
	Operating profit	7.20	7.23	↑ 0.02		
Medical Business	Net sales	12.94	13.19	↑ 0.24	• Expanded sales of absorbable products, including adhesion barriers, while business in China remained sluggish • Recorded inventory valuation losses on medical laser products associated with the scaling back of the business • Higher fixed costs due to capital investment and increased staffing for business expansion	• Steadily expand sales by providing in-house products centered on reinforcement felts and adhesion barriers, while aiming to grow into a medical device company with a global presence
	Operating profit	2.43	1.47	↓ -0.95		
Apparel Business	Net sales	60.78	58.59	↓ -2.18	• Structural reforms, including the consolidation of production and logistics bases and the streamlining of indirect operations, progressed as planned • Recorded inventory valuation losses on discontinued products • Sales of differentiated products for D-to-C channels expanded, while existing channels were affected by reduced sales floor space and restrained consumer spending	• Enhance capital efficiency and rebuild the business into a sustainable profit-generating business by concentrating on profit-generating categories, reorganizing production and logistics, improving the efficiency of indirect operations, and strengthening local production for local consumption
	Operating profit	0.75	-1.33	↓ -2.08		
Lifestyle Creations Business	Net sales	12.00	12.53	↑ 0.52	• Real estate: Strong performance, including increased foot traffic resulting from the renovation of a commercial facility • Sports clubs: Improved profitability due to a recovery in sales at existing locations and the closure of unprofitable locations	• Real estate: Strengthen property-by-property management and improve low-profit assets • Landscaping and greening: Capture greening demand and promote CO_2 sequestration • Sports clubs: Expand the school business and promote distinctive services and new business formats
	Operating profit	0.98	1.23	↑ 0.24		

Financial Position

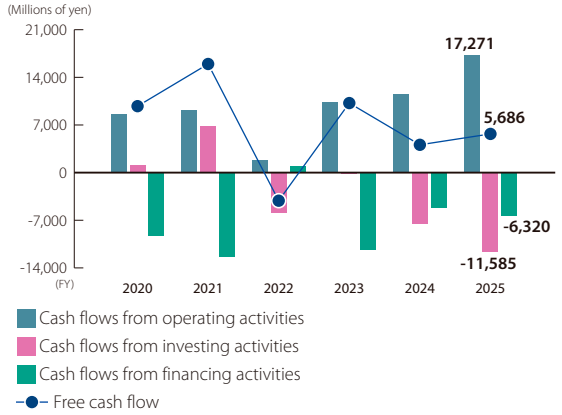
Total assets decreased from the end of the previous fiscal year, mainly due to lower trade receivables and a reduction in inventories, particularly in the Apparel Business, as a result of inventory optimization. Under our policy of enhancing shareholder returns, we continued to optimize equity to improve capital efficiency. As a result, equity decreased by ¥7.3 billion from the end of the previous fiscal year to ¥111.7 billion. Going forward, we will continue working to improve capital efficiency and optimize the balance sheet while maintaining the financial soundness needed to support growth investments.

Total Assets	Equity Ratio	D/E Ratio
¥153,612 million	72.8%	0.1 times



Cash Flows

Cash flows from operating activities increased, reflecting operating profit and depreciation and amortization, as well as a reduction in inventories mainly attributable to inventory optimization in the Apparel Business. Meanwhile, free cash flow came to ¥5.6 billion as a result of proactive capital investment for growth. In addition, while advancing shareholder returns through dividends and the acquisition of treasury shares, we responded flexibly to funding needs, including through the use of borrowings.

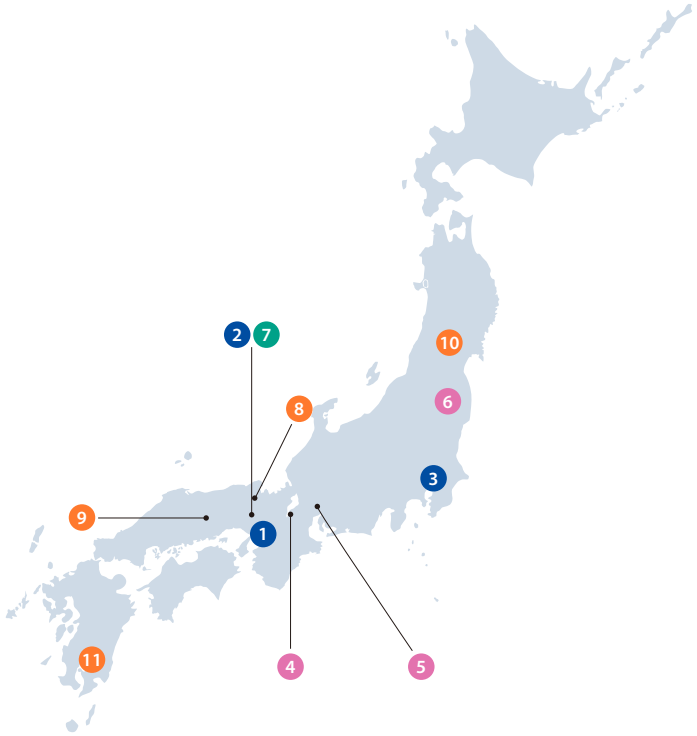


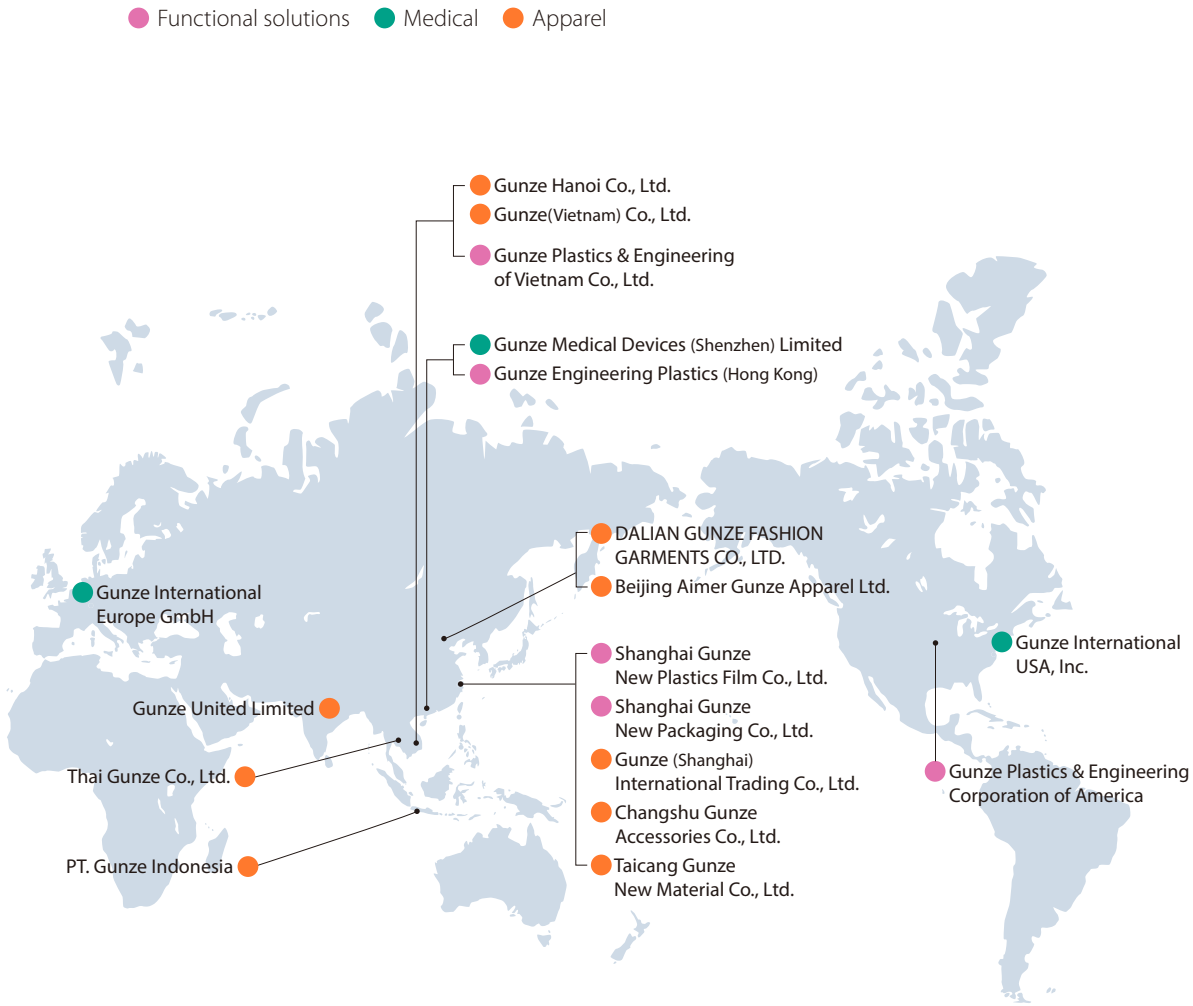
Outlook

Going forward, we will strengthen our financial foundation for sustainable growth while pursuing both improved profitability and greater capital efficiency. In addition to enhancing our ability to generate operating cash flow, we will improve capital efficiency by reducing inventories and optimizing working capital, while allocating capital with an appropriate balance between growth investments and shareholder returns. We will also steadily execute capital investments and initiatives to strengthen our business foundations as we work toward the ROE target of 8% set under the Medium-term Management Plan, thereby enhancing corporate value over the medium to long term.

Business Locations (As of April 1, 2026)

Main Factories and Subsidiaries





1. Osaka Head Office (Kita-ku, Osaka)
2. Registered Head Office (Ayabe-shi, Kyoto)
3. Tokyo Office (Minato-ku, Tokyo)
4. Moriyama Plant (Plastic Films: Moriyama-shi, Shiga)
5. Konan Plant (Engineering Plastics: Konan-shi, Aichi)
6. Fukushima Plastics (Plastic Films: Motomiya-shi, Fukushima)
7. Ayabe Plant (Medical Materials: Ayabe-shi, Kyoto)
8. Miyazu Plant (Innerwear: Miyazu-shi, Kyoto)
9. Tsuyama Plant (Thread and Accessories: Tsuyama-shi, Okayama)
10. Tohoku Gunze Co., Ltd. (Innerwear: Sagae-shi, Yamagata)
11. Kyushu Gunze Co., Ltd. (Legwear: Kobayashi-shi, Miyazaki)

Company Profile and Stock Information

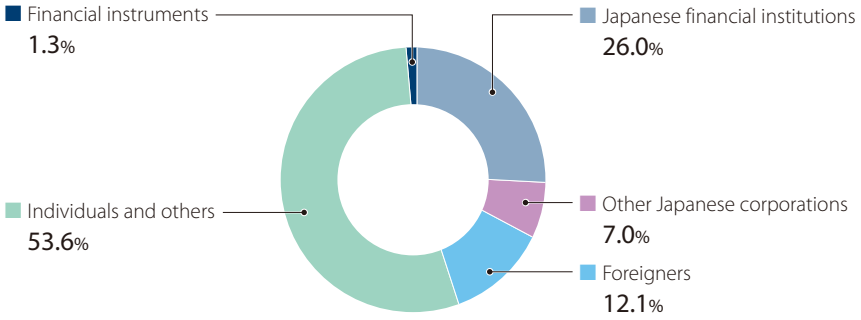
Company Profile (As of March 31, 2026)

Company Name	GUNZE LIMITED
Office	• Osaka Head Office: Herbis Osaka Office Tower, 2-5-25, Umeda, Kita-ku, Osaka 530-0001, Japan TEL: 81(6) 6348-1313 • Registered Head Office: 1 Zeze, Aono-cho, Ayabe, Kyoto 623-8511, Japan • Tokyo Office: TOKYO SHIODOME BUILDING, 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7315, Japan TEL: 81(3) 4485-0000
Date Established	August 10, 1896
Paid-in Capital	26.1 billion yen
Main Businesses	• Functional Solutions • Medical • Apparel • Lifestyle Creations
Gunze Group Organization	52 companies (including Gunze and affiliates)
Number of Employees	Gunze Limited (non-consolidated) : 1,299 Gunze Group (consolidated) : 4,102
Main Banks	MUFG Bank, Ltd., Mizuho Bank, Ltd., Bank of Kyoto, Ltd.

Stock Information

Closing Data	March 31
Ordinary General Meeting of Shareholders	June
Total number of authorized shares	100,000,000
Number of shares issued and outstanding	31,587,032
Number of shareholders	47,894
Stock listings	Tokyo Stock Exchange Prime Market (Securities Code 3002)
Number of shares per trading unit	100
Accounting Auditor	Kyoritsu Audit Corporation

Breakdown of Shares by Shareholder Category



* The pie graph shows percentages against the total number of shares issued and outstanding.

Major Shareholders (top 10)

Shareholders	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd.	3,954	12.62
Custody Bank of Japan, Ltd.	2,628	8.39
Gunze Group Employee Stock Ownership Plan	890	2.84
The Bank of Kyoto, Ltd.	671	2.14
GSI Creos Corporation	542	1.73
JP MORGAN CHASE BANK 385781	427	1.36
STATE STREET BANK AND TRUST COMPANY 505001	317	1.01
Kurabo Industries Ltd.	300	0.96
GUNZE Kyoeikai	296	0.94
Daiichi Life Insurance Co., Ltd.	290	0.93

1. Held shares are rounded down to the nearest thousand.
2. Gunze holds 242 thousand treasury shares, but is not included in the above list of major shareholders. Moreover, the shareholding ratio is calculated using 31.344 million shares, which do not include treasury shares, as the denominator.

External Evaluations, Statement of Authenticity, and Editorial Note

External Evaluations

2026 Sompo Sustainability Index

Gunze has been selected for inclusion in the SOMPO Sustainability Index independently established by Sompo Asset Management Co., Ltd. for fifteen consecutive years.

S&P/JPX Carbon Efficient Index

Developed jointly by S&P Dow Jones Indices in the United States and Japan Exchange Group, this index uses TOPIX, a representative stock price index for the Japanese market, as its universe and determines the weighting of constituent companies based on their disclosure of environmental information and level of carbon efficiency (carbon emissions per unit of revenue).

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

This recognition program, jointly administered by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, recognizes corporations that practice particularly outstanding health and productivity management and strategically manage employee health from a management perspective. Since 2026, Gunze has been certified in the Large Enterprise Category.

2025年認定（2025年度基準） くるみん 子育てサポートしています

Gunze Limited was certified as a "Kurumin" accredited company by Japan's Ministry of Health, Labour and Welfare in 2023 based on the Act on Advancement of Measures to Support Raising Next-Generation Children. It has also been certified under the revised standards effective from fiscal 2025.

Statement of Authenticity

About the GUNZE Integrated Report 2026

In order to provide stakeholders with a useful communication tool, the Gunze Group has continued to publish an integrated report since 2018 outlining in part its efforts to create value over the medium to long term.

The ninth issue, GUNZE Integrated Report 2026, includes content focused on technology and our growth story for the future to convey what makes Gunze unique. As in the previous year, it also provides a detailed explanation of the value creation scheme from the perspective of six types of management capital.

With the Corporate Communication Department playing a central role in the editing function, the GUNZE Integrated Report 2026 was prepared in collaboration with related departments. As head of the Corporate Communication Department, I attest to the legitimacy of the report's production process and the accuracy of the information contained herein.

I hope that the GUNZE Integrated Report 2026 will help our many and varied stakeholders better understand the Group's efforts to achieve sustainable growth in concert with a sustainable society.

Moving forward, we will continue to disclose information in an appropriate manner.

Junko Nakashima
Corporate Officer, General Manager, Corporate Communication Department

Editorial Note

Now, as we mark the milestone of our 130th anniversary, the Gunze Group is once again asking what it means to remain a company that society needs.

Amid profound changes in the times, the value expected of companies has expanded beyond mere scale and profitability to encompass how they address social issues and what value they can deliver to people's lives.

Throughout its history, Gunze has walked alongside its stakeholders through products and services that support people's lives, adapting their forms to the changing times. Even as times and markets have changed, our commitment to putting customers first and building trust has remained constant. We believe our 130-year history is a testament to our continued evolution while staying close to our stakeholders.

This report presents Gunze's strengths that cannot be captured by financial information alone, its initiatives to sustainably enhance corporate value, and its challenges for the future.

We hope this report will serve as a catalyst for deeper dialogue with our stakeholders and greater understanding of the Group.

Looking ahead to the next 100 years, we will continue to take on the challenge of creating new value.

GUNZE LIMITED
Corporate Communication Department