

SUSTAINABILITY

The Gunze Group will continue to grow by contributing to the realization of a sustainable society through the provision of new products and services, while simultaneously creating social value and pursuing economic benefits.





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ESG Information Related ›

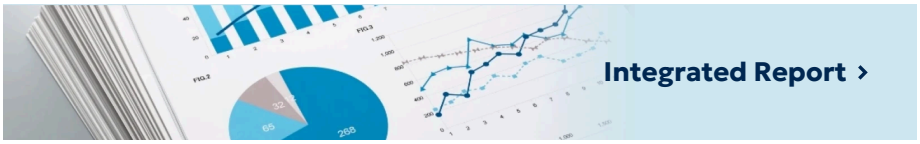
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Sustainability Message



A Bold Strategic Shift to Transform Gunze to Achieve Sustainable Growth and Increase Corporate Value

A “Carving Out Niche Markets” Strategy for Surviving in the Global Market

In recent years, global uncertainties, including geopolitical risks, have been increasing. Against this backdrop, I believe Japan’s most pressing structural challenge is its declining population. This demographic shift will have far-reaching consequences, such as a decrease in demand for products, shrinking markets, diminished influence over the international community, and changes in the industrial structure. Notably, the contraction of a market inevitably results in fewer companies. As a business, we now stand at a critical crossroads. Will we be among the companies that are eliminated, or those that survive?
For this reason, we must heighten our sense of urgency and pursue a bold strategic transformation to ensure our survival. For Gunze, the central question is, “How do we increase our competitiveness in the global market?” Without overcoming this challenge, survival will be difficult.
Given our size, however, there are limits to our ability to compete head-on in a global market which is crowded with powerful competitors. I believe that a minimum annual net sales of 500-600 billion yen is necessary to compete in earnest.
Accordingly, rather than pursuing a broad-based global expansion, Gunze has adopted the unique strategy of carving out niche markets. For example, under our Medium-term Management Plan, we aim to grow in the global apparel market. Our sales strategy targets a specific price segment in men’s underwear segment—a deliberate and highly focused approach. To maximize our limited management resources, we will carefully select market segments and concentrate our resources in specific regions or markets, adopting a “local production or local consumption” approach.

Review of VISION 2030 stage1 and Identified Challenges

Gunze operates in four business segments: functional solutions, medical, apparel, and lifestyle creations. A distinctive feature of our company is the breadth of these business domains relative to the size of our corporation. Each segment has its own value proposition, growth direction, and challenges. We concluded VISION 2030 stage1 in FY2024. If I were to assign it a score, it would be 70 out of 100. While this is a passing grade, it is by no means a satisfactory result.
The initial targets for the medical and functional solutions businesses were met, and this merits a positive evaluation. In the medical business, we focused on the development of proprietary technology in the bioabsorbable field, creating medical devices that provide value to both patients and physicians. We also cultivated niche, high-value-added markets in close collaboration with numerous university laboratories. In functional solutions, we developed products for semiconductors, environmental applications, and other sectors to meet the ever-evolving needs of the market.
However, we must now reassess the business strategies of the apparel and lifestyle creations businesses. Apparel, in particular, has faced a severe headwind. Our apparel products have a high import ratio, making them vulnerable to the fluctuation of foreign exchanges, and we are also confronting the structural challenge of a shrinking domestic apparel market due to Japan's decreasing population. Moreover, as consumers increasingly choose their purchasing channels based on specific purposes, the sales floors of mass retailers and department stores, historically our core channels, have been in steady decline.
Even in these challenging conditions, I believe that apparel remains our flagship business. It is worth continuing and transforming. To act on this belief, we launched stage2 in FY2025, undertaking a structural reform and reassessing every aspect of the business.

Growth Strategies and Structural Reform in stage2

In functional solutions, we have continued the investments we initiated in stage1 in both plastic film and engineering plastics.
In the plastic film field, we constructed the Circular Factory™ at our Moriyama Plant in Shiga Prefecture, and in engineering plastics, we added a seventh building at our Konan Plant in Aichi Prefecture. In stage2, we aim to fully leverage these facilities to continue to drive profitability.
In the medical business, we launched new products in stage1, including an absorbable adhesion barrier sheets that reduces postoperative organ-to-organ adhesion, which has helped us acquire new customers. To meet growing demand, we established a third plant in Ayabe City, Kyoto Prefecture in April 2025, and it is scheduled to begin operating in the second half of the fiscal year.
In apparel and lifestyle creations, we will implement a structural reform. In apparel, this will include a fundamental review of the competitiveness of brands, the optimization of inventories, sales channels and logistics systems. Our goal is not merely to improve profitability, but to lay the foundation for future growth by transforming the business so that it has a leaner and more resilient structure.
In doing this, we will advance the local-production-for-local- consumption global strategy, anchored in our "carving out niche markets" approach that I mentioned earlier. This strategy hinges on production and marketing. We will carefully decide what to produce, where to produce it, and at what scale, while evaluating profitability in each case. I believe this concept applies not only in apparel, but in all of our business segments.

A Financial Strategy Aligned with Japan's Industrial Transformation

In our financial strategy, we will transition from our historically prudent, slightly conservative financial strategy to a more dynamic and flexible capital policy. This shift is driven by two factors. The first is the challenge generally faced by Japanese companies in attracting global capital.
Led by the Tokyo Stock Exchange, the minimum investment criteria from the perspective of overseas investors, such as a return on equity (ROE) of 8% and a price-to-book ratio (PBR) of 1, have been set, and we too must aim to meet these baseline criteria. The second is our capital structure. Our current equity ratio exceeds 70%. We consider this to be somewhat excessive.
We will allocate management resources to proactive growth investments and shareholder return, while improving our capital efficiency through structural reforms to optimize our capital structure.
Mergers and acquisitions will be an important option as we work to achieve the three-to-fourfold growth of sales over the medium- to long-term. However, I believe in taking a strategic and cautious approach. The keys are compatibility and timing.
The results of rushing an acquisition may be unfavorable in the long term. We will focus on related business domains, carefully identify the right timing for acquisitions, and prioritize qualitative growth.

Focusing on Employee Happiness and Growth

The Gunze Group plans to revise its personnel system in April 2026, introducing a job-based framework for managers to ensure that talented individuals are appropriately evaluated and rewarded. I believe there is no single definition of happiness. Some employees want to advance their careers, while others value a stable life in their hometowns. We will offer multiple career paths to accommodate both, creating a system that prioritizes each individual's happiness and growth.

These reforms are also essential for preserving the founding spirit of Tsurukichi Hatano, “Good people make good silk.” What I most expect from our employees is their humanity.
Professional skills can be acquired later through effort, but sound character and the determination to persevere with a positive attitude cannot be developed overnight. These qualities, which include cooperation and teamwork, are essential attributes in Japanese companies. We aim to cultivate individuals who embody these fundamental qualities.
In parallel with our investments inhuman capital, we value environmental initiatives that ensure we remain a sustainable enterprise. As a company that handles plastics, we have long been mindful of our responsibilities regarding the global environment. To fulfill these responsibilities, we are advancing our vision of being a circular manufacturer. We used a green loan to build the Moriyama Circular Factory, Japan’s first resource-circulating model plant. Over 2,000 stakeholders have already visited the site, and in October 2024, we were commended by the Ministry of Economy, Trade and Industry. We believe these environmental initiatives directly contribute to the enhancement of our corporate value.



Delivering Comfort Solutions for Life to All Stakeholders

Gunze’s brand recognition is still too low among the younger generations of people, and older people’s perception that Gunze is just an underwear company persists. We have yet to gain wide recognition for the full scope of our business, including the engineering plastics and medical businesses. Without change, we will not be able to increase people’s awareness of our brand or achieve the broad growth of our brand.
That said, we have recently begun to see students applying for jobs that are interested in our medical business, indicating that our new growth fields are starting to resonate with the younger generation. As more prospective employees become interested in our diverse businesses, I believe people’s recognition of our brand will steadily rise.
When formulating VISION 2030, what I valued most was the idea of a “multi-stakeholder” approach. We aim to be a company that delivers well-balanced value and satisfaction to all of our stakeholders—our shareholders, employees, customers, local communities and beyond. At the heart of this is our commitment to delivering Comfort Solutions for Life. This idea of comfort is the essence of Gunze, and I am convinced that this will lead to the increase of our corporate value.
I will continue to communicate this vision clearly and share the appeals of the Company with as many people as possible. I look forward to your continued understanding and support.

President
GUNZE LIMITED
Takahiro Oka

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Gunze's Sustainability



We have upheld our corporate philosophy since our founding



Gunze group adhere to our Code of Conduct to remain a trusted company



Gunze contribute to the realization of a sustainable society



We continue to create new value that addresses societal challenges



We identify key management issues as material topics and respond appropriately

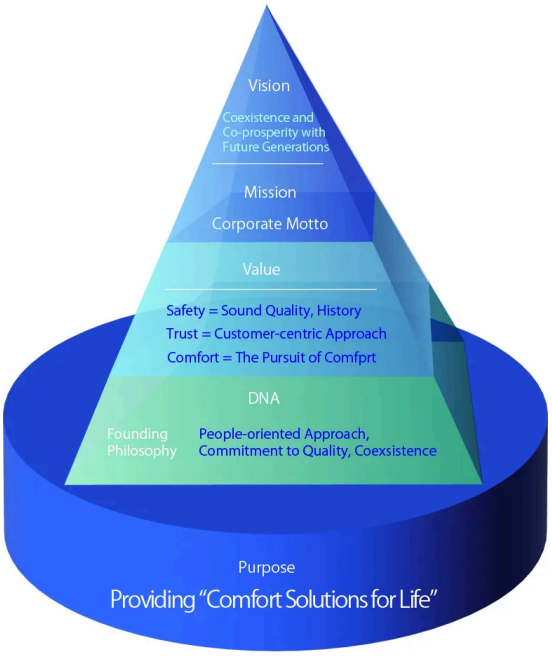
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Corporate Philosophy



Since its founding, Gunze has integrated its philosophy around the core principles of "respect for humanity," "production of quality goods," and "mutual prosperity."

GUNZE's Management Philosophy, Passed Down Through Generations

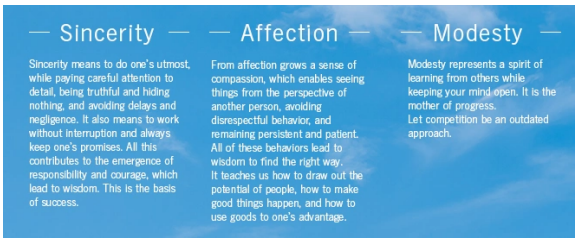
1896 FOUNDING PHILOSOPHY

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

Gunze was founded in 1896 by Tsurukichi Hatano in the district of Ikaruga (now Ayabe City), Kyoto to promote the local silkworm industry. The founder believed that each district should pursue its own policy, and wanted to achieve a harmonious coexistence and coprosperity with all stakeholders, so as to enrich the lives of local people. Thus, he adopted the name Gunze Silk Manufacturing Co., Ltd., with "Gunze" meaning the "policy of the district" in Japanese.



1963 THREE IMPORTANT CHARACTER TRAITS



1969 THREE DISCIPLINES

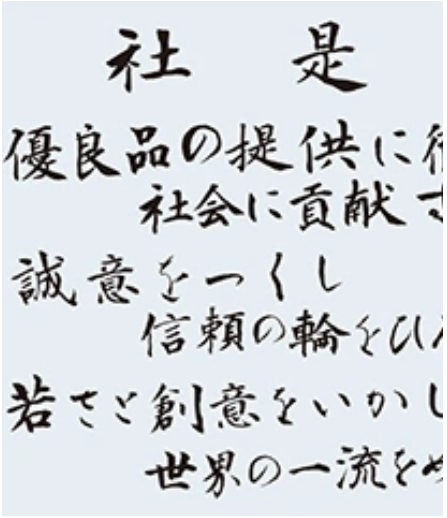
The three disciplines are behaviors required to acquire three important character traits.

1. Exchange greetings
2. Keep your personal belongings in order
3. Participate in cleaning



1976 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



1997 GUNZE GROUP ENVIRONMENTAL

CHARTER

The Gunze Group Environmental Charter was established to promote healthy and sustainable development in harmony with the Earth and society.

1998

GUNZE GROUP ACTION GUIDELINES

The Gunze Group Action Guidelines stipulate the conduct and behavior expected of Gunze as a corporate citizen.

Chapter 1. The role Gunze should assume
Chapter 2. Rules that Gunze should observe in conducting its corporate activities
Chapter 3. Matters that members of Gunze should keep in mind when conducting their work

2007

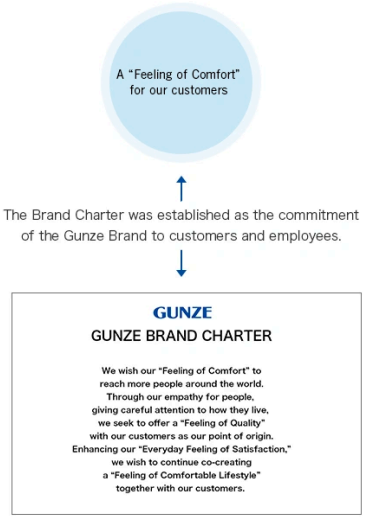
GUNZE GROUP CSR POLICY

The CSR Policy was disclosed as its corporate commitment to the public.

1. For customers
2. For suppliers and business partners
3. For local communities
4. For employees
5. For the global environment
6. For shareholders and investors

2012

BRAND CHARTER



2019

Gunze Group Sustainable

Procurement Guidelines

Ensuring appropriate Sustainable procurement across our entire supply chain.

1. Provide all suppliers with fair and equal trade opportunities
2. Select suppliers in a fair and ethical manner
3. Procure from suppliers in the most appropriate locations
4. Preserve the global environment and lessen environmental impact
5. Comply with all applicable laws, regulations, and social norms
6. Appropriately control and strictly protect information

Sustainability Management ›

Basic Policy for Plastic Resource Circulation

GUNZE proactively implements the “3Rs + Renewable*” initiative for plastics, to reduce the amount of plastic waste and help build a society that promotes plastic resource circulation.

1. Reduce the volume of plastics and promote the reuse and recycling of plastic items.
2. Help implement effective and efficient plastic resource circulation through easy-to-classify and easy-to-recycle product design, and by aggressively using renewable raw materials.
3. Help reduce the use of petrochemical raw materials by developing products using bio-based materials.
4. Conduct appropriate management of waste and ensure that production activities have a smaller impact on the environment, so as to fulfill our responsibility as a manufacturer.

※3R＋Renewable
The 3Rs stands for Reduce (using fewer resources for production and reducing waste), Reuse (using products and parts repeatedly), and Recycle (effectively using waste as raw materials or energy sources). “3Rs + Renewable” means adding the use of renewable resources to the 3Rs initiative.

Resource Circulation ›

2022

GUNZE'S Human Rights Policy Statement

We have established the following to clarify our commitment to respect for human rights as part of our corporate philosophy

1. We endorse the UN Global Compact, the UN Guiding Principles on Business and Human Rights and other international principles relating to human rights.
2. In our business activities, we respect the human rights, individuality, and diversity, and do not discriminate against people because of their race, nationality, gender, or other factors.
We strictly prohibit any child labor, forced labor and inhuman treatment including cruel disciplinary punishments.
3. We implement the initiatives as stipulated in our in-house "Sustainability Promotion Rules" to respect the human rights of all employees, identify the negative impacts on human rights and endeavor to remediate them ,through appropriate processes such as whistleblower system.
4. We require our supplier to comply with " Gunze Group Supplier Code of Conduct" in accordance with the " Gunze Group Sustainable Procurement Guidelines", , gather information on any risks that could cause negative impacts on human rights, and work to prevent and mitigate the identified negative impacts.
5. We continue to provide necessary training for all employees to respect for human rights and deepen the understanding of employees on human rights issues.

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Sustainability Management

Policy and Basic Approach Basic Sustainability Policy Sustainability Promotion System
Gunze Group Sustainable Procurement Guidelines Gunze Group Supplier Code of Conduct

Policy and Basic Approach

Gunze was founded in 1896 in the district of Ikaruga (now Ayabe City), Kyoto.
The founder was determined to contribute to enriching his hometown community through the development of local industry.
This was more important to him than focusing exclusively on profits for a private company.
He believed that this should be a policy of Ikaruga, so he named this company Gunze Silk Manufacturing Co.,Ltd., later renamed Gunze Limited.
("Gunze" means the "policy of the district" in Japanese.)
Based on its concept of the "policy of the district, Gunze has consistently lived up to its founding philosophy of "Striving for harmonious coexistence with all stakeholders surrounding the company through a people-oriented approach and a commitment to quality." In recent years with the increasing globalization of business, the environment in which our corporate activities are found has undergone dynamic changes.
These changes have resulted in our stakeholders showing increasing interest than ever before in sustainability, demanding that we conduct management practices that will help in achieving sustainable growth as we uphold our corporate principles.
The global community is increasingly involved with initiatives aimed to create a sustainable society, including efforts to meet the Sustainable Development Goals (SDGs) adopted by the United Nations.
As we also put our principles into practice to respond to global sustainability initiatives, we see that these actions must extend beyond our own company to encompass the entire supply chain as well.
In addition, reflecting the recent rapid changes in our business environment, we recognized the need for presenting our policy for sustainability, covering the entire supply chain, to our suppliers and business partners in a more concrete manner.
As such, we established the Gunze Group Sustainable Procurement Guidelines, which should help our suppliers and business partners to better understand the Gunze Group's sustainable procurement activities and to continue to cooperate with this policy.
It is our hope that Gunze suppliers and business partners will fully understand and support the objectives of these guidelines.
We also believe they will observe all requirements of the Gunze Group Supplier Code of Conduct, and take the necessary actions and measures to meet them.
Moreover, we ask our suppliers and business partners to instill the concept and practices of our Sustainable Procurement Guidelines throughout their supply chains as well.
We at the Gunze Group are determined to continue working together with our suppliers and business partners toward building a sustainable society. We look forward to your continued support as we pursue this endeavor.

Director, Senior Managing
Corporate Officer and
General Manager of Management & Strategy Department
Sustainability Officer
Takahiro Oka

Basic Sustainability Policy

The GUNZE Group will create economic and social value and contribute to the realization of a sustainable earth and society through highly transparent management and compliance with globally accepted fairness rules, while keeping the founding spirit of "coexistence and co-prosperity with all stakeholders based on respect for people and production of quality products" as the warp, and responding to the expectations of society in good faith and flexibility as the weft. We will contribute to the realization of a sustainable earth and society by creating economic and social value through highly transparent management and compliance with globally accepted fair rules.

For Our Customers

We will always think from the standpoint of our customers, understand the culture and customs of each country in the world where we do business, and strive to provide excellent products and services, practicing the motto "Happy to Sell, Happy to Buy". We will strive to realize a sustainable society by developing and providing environmentally and people-friendly products and services, while pursuing safety, security, comfort, and satisfaction, with quality as our first priority.

For our business partners

We aim to realize co-existence and co-prosperity. We will conduct fair and free transactions in compliance with the relevant laws and regulations of the respective countries in which we do business.
We will not offer or accept gifts or entertainment that may raise questions of fairness. We will follow the Supplier Code of Conduct and seek to prohibit discrimination in employment, forced labor, and child labor.

For local communities

We will actively participate in social and community activities, build friendly relationships with society, and contribute to social sustainability.

In our relationships with our employees

We respect human rights, personality, and individuality, do not discriminate in employment or treatment based on race, nationality, gender, or other factors, and strive to provide equal opportunities. We will respect the human rights of all persons involved in our business activities and will not engage in inhumane labor practices such as forced labor, child labor, or harsh disciplinary punishments.
We will comply with laws regarding working hours, wages, and benefits, and ensure a pleasant, harassment-free work environment in which employees can work safely and healthily.
We value diversity, promote skill development that enables employees to play an active role in the right place with the right resources, and nurture human resources who can contribute to society. GUNZE respects the freedom of association of employees to form labor unions of their own volition and the right to collective bargaining, to the extent not prohibited by law.

For the Global Environment

We will contribute to the realization of a sustainable earth and society by actively working to protect the global environment, including biodiversity, and reduce greenhouse gas emissions in all of our business activities, as well as by providing environmentally friendly products and services.

For Shareholders and Investors

Based on our corporate philosophy of co-existence and co-prosperity, we will practice sustainable management and enhance corporate credibility. We will place importance on dialogue with shareholders and investors, and will respond to their trust by actively and fairly disclosing corporate information.

Established: April 2007
Revised: March 2010
Revised again: April 2021

Sustainability Promotion System

The GUNZE Group considers the building of a sustainable society as our social responsibility, and we are working on medium-to long-term themes and major promotion items with the aim of achieving sustainable management. We have also established a Sustainability Committee, which aims to realize a sustainable society and enhance our corporate value through our business activities. The medium- to long-term themes and major issues to be addressed may be changed or added after deliberation by the Sustainability Committee.

Medium- and Long-term Themes and Major Promotional Items

1. Response to Climate Change
2. Realization of a resource-recycling society
3. Sustainable procurement
4. Wellness and health
5. Consideration for people and society

GUNZE Group company presidents, division heads, heads of functional divisions, general managers of functional departments, and presidents of affiliated companies have the following responsibilities in the efforts to promote sustainability.

1. We raise awareness of sustainability among members of our own divisions and departments, and implement sustainability management.
2. We execute and promote the company-wide promotion items on sustainability determined by the Sustainability Committee at your own department or division.
3. When requested by the Sustainability Committee, we will investigate the status of sustainability promotion in our own divisions and departments, and respond to the Committee on the current status and issues, etc.
4. We provide educational and training opportunities to improve understanding of sustainability among members of their own departments and divisions.

Sustainability promotion structure



Roles of committees and organizations in sustainability promotion

Committees and organizations	Roles
Board of Directors	Monitors the progress of measures to address sustainability issues, including issues pertaining to the environment, particularly climate change, as well as human capital and other topics as discussed and decided during business execution
Executive Committee	Discusses and makes decisions on important business administration and execution matters related to Group-wide sustainability, such as environmental issues centered on climate change, as well as human capital and other topics
Sustainability Committee (As a general rule convened once per quarter)	Discusses and makes decisions on basic and response policies as they pertain to sustainability
Risk Management Committee (As a general rule convened once per quarter)	Discusses occurrence of risk events related to sustainability, measures taken or to be taken, and risk prevention
Main Departments in Charge	Promote initiatives to address sustainability issues and identify risks and opportunities (Environmental Impact Strategy Promotion Office: environmental issues with a focus on climate change; Personnel & General Affairs Department: human capital of the Gunze Group, etc.)

Sustainability Committee

The GUNZE Group has established a Sustainability Committee for the purpose of setting and promoting the direction of sustainable management in order to realize a sustainable society and enhance corporate value through its business activities based on its management philosophy and management policies.
The Sustainability Committee deliberates and decides on the basic policy and major matters to be promoted concerning sustainability, the development of organizations and systems, confirmation of the status of plans, compilation and management of information, disclosure of GUNZE Group activities to the outside world, and planning and implementation of company-wide education and training activities. The Sustainability Committee is chaired by the director or executive officer in charge of sustainability, and its members consist mainly of head office divisions and department heads. As a general rule, the Committee will meet once every quarter.

Gunze Group Sustainable Procurement Policy

The Gunze Group is committed to fulfilling its social responsibilities by complying with all applicable laws and regulations, while also globally promoting comprehensive Sustainable procurement practices integral to its environmentally conscious activities. In collaboration with our suppliers and business partners, we seek to strengthen our Sustainable commitment across our entire supply chain, by meeting the requirements in the areas of the environment, labor conditions, and human rights, along with quality, pricing, and delivery schedule. To this end, we will conduct surveys, inspections, and monitoring of our suppliers and business partners to assess their current status of Sustainable procurement across the supply chain as necessary. Should any nonconformance with our Sustainable procurement policy be discovered, and no corrective action taken, we will take the appropriate measures.

Our Sustainable Procurement Policy is as follows:
1. We provide all suppliers with fair and equal trade opportunities based on the principle of free competition, disregarding nationality, scale, or past trading performance.
2. When purchasing parts, materials, and/or services, we select suppliers based on criteria including quality, pricing, delivery schedule, environmental preservation, technological capabilities, business management system, and other factors, in a fair and ethical manner, and pursuant to related laws, regulations, and social norms both in and out of Japan.
3. We procure parts, materials, and services from suppliers in the most appropriate locations, selected from among those worldwide by maintaining a global perspective.
4. We conduct purchase and procurement activities that help preserve the global environment and lessen environmental impact. We also employ parts and materials that do not use any hazardous chemical substances in order to 10 promote green procurement that

contributes to the reduction of environmental harm.
5. While maintaining a high sense of ethics, we comply with all laws, regulations, and social norms related to procurement and purchase activities, as we seek to build a strong partnership with our suppliers.
6. We appropriately control and strictly protect any information we have obtained or accessed during purchasing transactions.

Established: January 2019
Revised: April 2021

Gunze Group Supplier Code of Conduct

As stipulated in the Gunze Activity Guidelines, the Gunze Group's basic policy is to comply with fair and internationally accepted rules as we conduct business activities.
The Gunze Group Supplier Code of Conduct declares that Gunze expects its suppliers and business partners to accept and uphold the Group's policies concerning legal and regulatory compliance, development and supply of safe, beneficial products and services, environmental preservation, and respect for human rights, personality, and individuality.

Legal and regulatory compliance
(1) We promote corporate activities through fair and free competition by strictly observing social rules.
(2) We adhere to applicable laws and regulations and maintain sound ethics, avoiding any antisocial behavior.
(3) We observe international rules, while respecting the culture and conventions of each country of operation, so as to promote corporate activities that earn a high reputation.

Supply of quality products
We maintain a commitment to develop and supply socially beneficial and safe products and services.

Environmental preservation
We actively address environmental issues as we conduct corporate activities, and strive to promote harmonious coexistence with the global environment.

Human rights
(1) We respect human rights and individual character, and never engage in discrimination based on ethnic group, nationality, gender, or other non-performance-related attributes in hiring and employment practices.
(2) We never use child, forced or compulsory labor, nor do we engage in unjust and inhumane labor practices, including harsh punishment.
(3) We recognize and respect the rights of employees to freedom of association and collective bargaining, unless where prohibited by law.

Labor practices
(1) We provide a safe and healthy working environment, by giving due consideration to employees' health.
(2) We comply with all applicable laws in the country of operation concerning hours of work, wages, and employee benefits.
Confidential information and intellectual property
We take appropriate measures to prevent leakage of confidential or personal information, including technological or trade information obtained or accessed through business transactions, and we respect intellectual property rights.

Gifts and entertainment
We do not offer money, gifts, or entertainment for the purpose of receiving unjustified benefits.

Established: March 2010
Revised: January 2019

GUNZE ACTIVITY GUIDELINES >

Gunze Environmental Charter >

Gunze Group Sustainable Procurement Guidelines (PDF:328kb)

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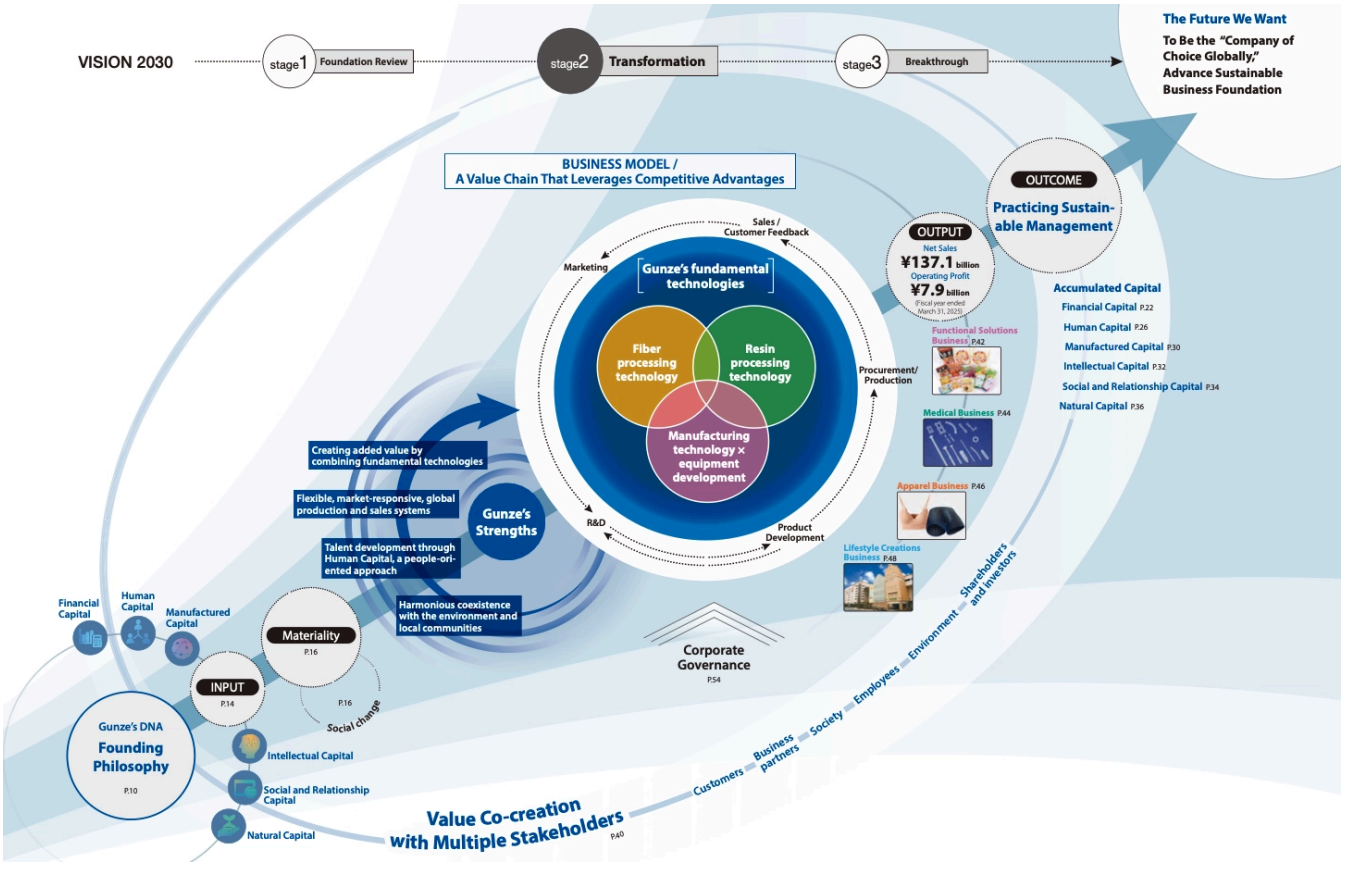
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Value Creation Process

Gunze contributes to the realization of a sustainable society by creating new value and providing "Comfort Solutions for Life" based on social issues.
The value chain initiatives identified in Gunze's value creation model strengthen the Company's business activities by efficiently utilizing the Group's various capital resources and leveraging its unique strengths.



GUNZE Integrated Report 2025 Value Creation Process (PDF:1.2MB)

GUNZE Integrated Report 2025 All Pages (PDF:9.2MB)

Explanation of the Value Creation Model by Capital Category

The value chain activities identified in Gunze's value creation model efficiently leverage the management capital that the Group has developed and Gunze's unique strengths to reinforce the Company's business activities. Here, we outline Gunze's competitive advantages and initiatives aimed at creating value together with stakeholders in relation to each category of capital.

Gunze's strengths
- Creating added value by combining fundamental technologies (Fiber processing technology, Resin processing technology, Manufacturing technology × Equipment development)
- Flexible, market-responsive, global production and sales systems
- Talent development through Human Capital a people-oriented approach
- Harmonious coexistence with the environment and local communities



Capitals	INPUT (March 31, 2025)		Features and Strengths	OUTCOME (March 31, 2025)
Financial Capital	• Stable financial standing • Medium- to long-term capital policies • Cost of capital-based management	• Total assets 159,677 million yen • Net assets 120,982 million yen • Net sales 137,117 million yen • Operating income 7,921 million yen • Interest-bearing debt 8,960 million yen • Credit rating (JCR): A • Equity ratio 74.6%	• Maintain financial soundness • Stable and continuous dividends • GVA management by business segment	• Return of profits to shareholders (dividend per share) 195 yen (6.3 billion yen in total): After the stock split • Total shareholder return (TSR) 171.2%: Compared with the base year of FY2019 (BM=100%) • ROE 5.3%
Human Capital	• People-oriented approach • "Three disciplines" taking hold • Diversity of talent	• Consolidated number of employees (4,339) • Employees holding qualifications (1,464) * Number of employees incentivized to obtain a qualification • Average age: 43 years and 6 months old • Years of service: 19.9 years	• Human resources that embody the founding philosophy and produce superior products • Professionals who can fully demonstrate their abilities • Sales capabilities centered around solving problems from the customer's perspective	• Ratio of women employees in the workforce (non-consolidated) 35% • Ratio of women in managerial roles 6.0% • Ratio of women corporate officers 20.0% • Improvement of engagement (Engagement score = 62 pt.) • Work-life balance Paternity/maternity leave utilization rate 78%/87% Average number of annual leave days taken 14.5
Manufactured Capital	• Pursuit of the highest quality as a technology-oriented company • 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 24 companies	• In-house complete and seamless production structure • The ability to product design that generates high quality • Global development capabilities that comply with the regulations of each country • The ability to develop differentiated products based on a market-in concept • The ability to develop one-of-a-kind products that combine the Company's core technologies • Quality assurance systems to ensure high quality	• Capital investment costs 7.5 billion yen • Depreciation 6.8 billion yen
Intellectual Capital	• Broad range of intellectual properties and technologies, from textiles to polymers • Corporate brand loyalty • Know-how	• Number of major research and development centers: 2 • Number of R&D personnel 36 • Number of industry-government-academia collaboration projects 8 projects • Number of patents acquired Domestic 680; overseas 228 • Number of designs acquired Domestic 248; overseas 10 • Number of trademarks acquired Domestic 1,914; overseas 802 • Number of utility model patents acquired Domestic 20; overseas 3	• High-value-added product development capabilities, from R&D to sales • Increasingly sophisticated core technologies and the ability to create new businesses • Concentration of elemental technologies and development capabilities that maximize value • Promotion of industry–government–academia collaboration	• R&D expenses 2.4 billion yen • Number of patents published 86 (Domestic 55, overseas 31)
Social and Relationship Capital	• Activities to address social issues through collaboration with local communities • Sustainable procurement based on harmonious coexistence and coprosperity	• Number of investors and analysts Gunze communicates with: approx. 460 • Diverse partnerships (suppliers, external research organizations,-customers, local public organizations, etc.) • Social contribution activities (disaster relief, supplying underwear and trees to NGOs and NPOs)	• The provision of solutions to customers that integrate the sales, development, and manufacturing functions • Creating new value by collaborating with customers • Collaboration with suppliers through strong, trusting relationships • Traceability management of raw materials • Ability to respond to risk through the multiple procurement of raw materials • Establishing a strong corporate foundation	• Brand awareness approx. 80% (Nikkei Brand Japan 2025 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: 137 (collaboration with Kyoto Prefecture) Joined the emergency disaster response alliance SEMA Gunze Love Earth activities (support for six organizations, including NPOs)
Natural Capital	• Environmentally friendly products / services • Wholesaling of plants and trees	• Energy consumption (domestic) 39,962 kL (Crude oil equivalent) • Environment-related investment: ¥500 million (Circular Factory ¥400 million; photovoltaic power generation and energy efficiency ¥100 million)	• Environmentally friendly product development capabilities for a recycling society • Reducing negative environmental impact through Circular Factory and other initiatives • Reducing negative environmental impact through business activities	• CO_2 emissions (Domestic + Overseas) Scope 1+Scope 2* 108,316t-CO_2 (Compared with FY2013 BM: 37.2% reduction) * Gunze Group total • No. of plants with ISO 14001 certification 15 business sites • Total waste generated 7,311 t

GUNZE Integrated Report 2025 Explanation of the Value Creation Model by Capital Category (PDF:1.8MB)

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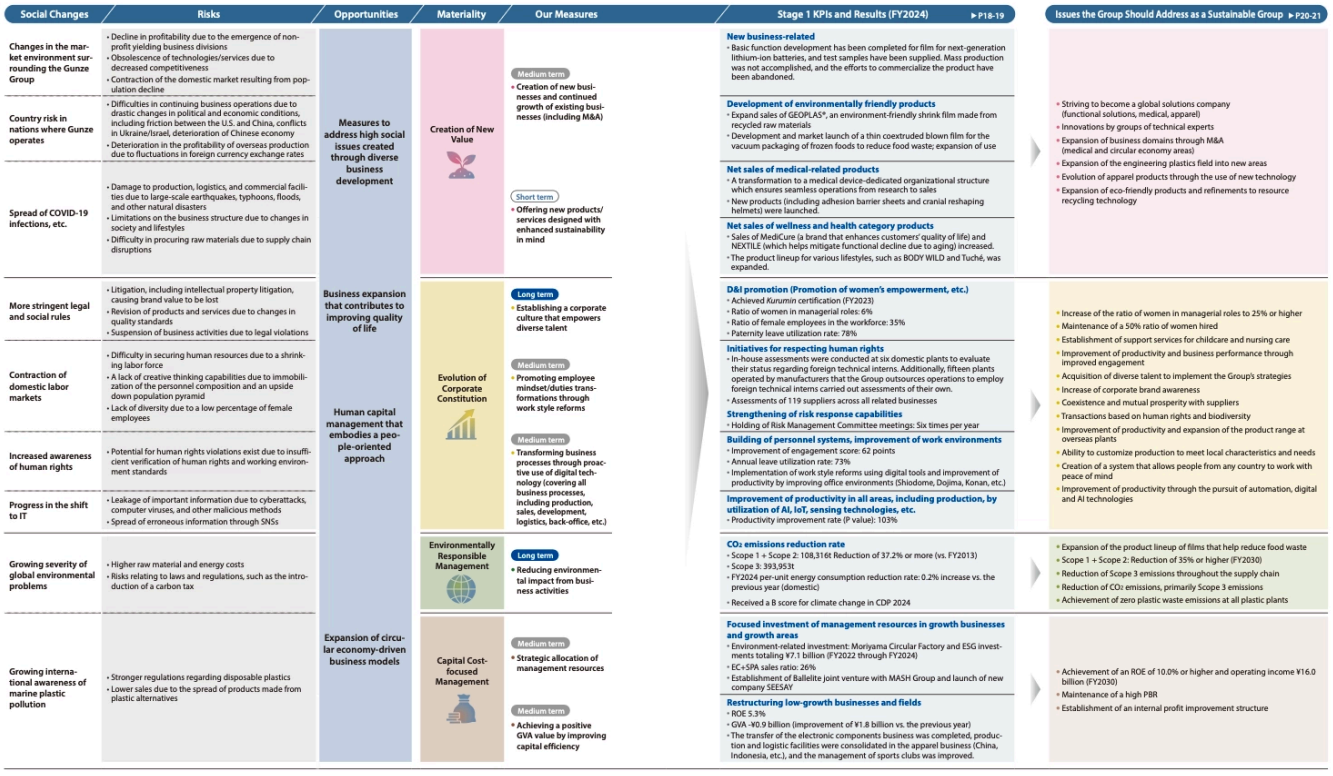
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Materiality

In light of changes in the external environment, we have identified key societal issues impacting the Gunze Group's medium-to-long-term value creation and extracted related risks and opportunities.
By appropriately addressing these and recognizing the key management issues of our medium-term management plan as material issues, we will advance our Sustainability Action Plan (response measures) and aim for further value creation.

Risks and Opportunities, Materiality

To effectively respond to the rapidly changing external environment and achieve the sustainable improvement of corporate value, the Gunze Group has identified its materiality (key issues). The Group has established key performance indicators (KPIs) and is implementing specific initiatives to address each issue. To become a sustainable corporate group, the Group aims to enhance its initiatives and improve their effectiveness based on the issues it has identified and its findings in Stage 1.



Gunze Integrated Report 2025 Risks and Opportunities (PDF:474KB)

GUNZE Integrated Report 2025 All Pages (PDF:9.2MB)

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Environment

We provide products and services that contribute to achieving global environmental goals such as climate change mitigation and adaptation, and realizing a circular economy, while striving to minimize the negative environmental impacts associated with our business activities.

Management >

We strive to reduce environmental impact in our business activities

Climate Change Response >

The Gunze Group is working toward decarbonization

Resource Circulation >

We promote “3R + Renewable” across the entire company

Chemical Substances Management >

We strive for proper management of chemical substances

Reducing Waste >

We advance waste reduction and effective utilization

Water Resource Conservation >

We work to conserve water resources

Biodiversity >

We promote environmental protection and biodiversity conservation activities

Environmentally Considerate Products & Technologies >

Gunze aim to realize a sustainable society by prioritizing environmental consideration

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Management

Policy and Basic Approach System Environmental Management System Initiatives

Policy and Basic Approach

Gunze Environmental Charter

As part of the global community, we at Gunze are fully aware of our responsibility to safeguard the earth and its resources for future generations. Gunze is a responsible corporate citizen committed to building a prosperous global society that enjoys sustainable development.
To support our efforts, we will actively address environmental issues to minimize the environmental impact of our activities and implement necessary measures to improve and maintain the environment. In accepting our social responsibility to help solve environmental problems, we have established a basic environmental philosophy and determined action guidelines.

Basic Environmental Philosophy

By offering environmentally responsible products and services, we aim to contribute to the development of an affluent, sustainable global society.
We fully understand our reliance on the gift of nature, so we strive to maintain harmony with the global environment and promote the preservation of biodiversity.

Environmentally Responsible Action Guidelines

(1) We will direct our efforts toward minimizing the environmental impact of all our corporate activities, considering the impact on biodiversity inside and outside Japan, and the local communities related to our business.

(2) We will comply with all related laws and regulations, but also will strive to upgrade the level of our environmental management by establishing internal voluntary standards.

(3) We will promote effective use of resources, including raw materials and energy, aiming to reduce greenhouse gas emissions.

(4) We will reduce waste, and promote recovery and recycling for recirculation of resources.

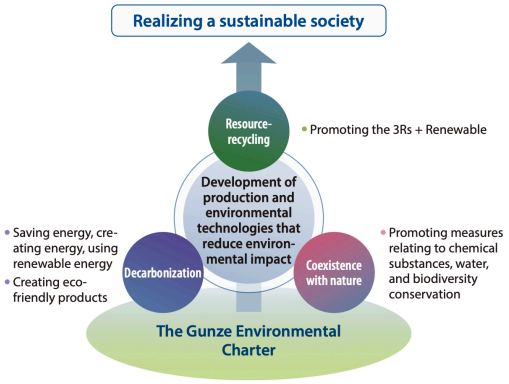
(5) We will promote research and development of environmentally sound products as well as manufacturing and environmental technologies to lessen the environmental impact of our activities.

(6) We will implement programs to increase the environmental awareness of our employees, and encourage them to cooperate with and contribute to the environmental preservation efforts of local communities.

(7) We will advance environmentally conscious practices, and promote the transfer of environmental technologies to our overseas operations.

(8) We will immediately take action to reduce the damage in the event of an environmental accident.

Established: May 1997
Revised: May 2010



Activity progress of stage2

System

Sustainability Promotion System

The GUNZE Group considers the building of a sustainable society as our social responsibility, and we are working on medium-to long-term themes and major promotion items with the aim of achieving sustainable management.
We have also established a Sustainability Committee, which aims to realize a sustainable society and enhance our corporate value through our business activities.
The medium- to long-term themes and major issues to be addressed may be changed or added after deliberation by the Sustainability Committee.

Sustainability promotion structure ›

Environmental Management System

The Gunze Group identifies and assesses the environmental impacts of its manufacturing sites and research facilities on the global and local environment in terms of risks and opportunities.
We have established and operate environmental management systems (such as ISO 14001) aimed at maintaining and improving these impacts.

Environmental Management System ›

Initiatives

Sustainability Committee

The GUNZE Group has established a Sustainability Committee for the purpose of setting and promoting the direction of sustainable management in order to realize a sustainable society and enhance corporate value through its business activities based on its management philosophy and management policies.
The Sustainability Committee deliberates and decides on the basic policy and major matters to be promoted concerning sustainability, the development of organizations and systems, confirmation of the status of plans, compilation and management of information, disclosure of GUNZE Group activities to the outside world, and planning and implementation of company-wide education and training activities. The Sustainability Committee is chaired by the director or executive officer in charge of sustainability, and its members consist mainly of head office divisions and department heads. As a general rule, the Committee will meet once every quarter.

Initiatives on Natural Capital

Gunze has worked to reduce CO_2 emissions, prevent airborne pollution and water contamination, and manage chemicals to make manufacturing sites environmentally friendly.
To reduce CO_2 emissions, we visualized our electrical energy usage through the introduction of cogeneration systems (equipment that simultaneously produces electricity and waste heat) and Energy Management Systems (EMS) in many plants and improved our energy-saving activities. This led to improved energy efficiency, which has contributed to a reduced impact on the natural environment.
We also focused our efforts on energy creation through solar panels that utilize solar energy as natural capital, promoting decarbonization through buying back environmental value (non-fossil certificate with tracking) through the use of FIT (a system to set the purchase price of renewable energy by law).
We have also worked to reduce air pollutant emissions by shifting from crude oil to LNG and other fuels.

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Climate Change Response

Policy and Basic Approach Goals and Achievements System

Climate Change Initiatives and Information Disclosure (TCFD) Initiatives

Collaboration with external parties

Policy and Basic Approach

As a key initiative in sustainable management, “Responding to Climate Change” involves promoting company-wide efforts to reduce environmental impact through decarbonization, aiming to achieve both social and economic value. We target a reduction of at least 35% in total Scope 1+2 CO_2 emissions by 2030 (compared to 2013 baseline). To achieve this, we will focus on energy conservation, energy generation, and renewable energy utilization. Furthermore, we will closely monitor technological trends in energy innovation and actively explore the introduction of new technologies to reduce the environmental impact of our business activities.
We will also proactively develop environmentally conscious products, contributing to the decarbonization of society as a whole.

Environmentally Considerate Products >

Goals and Achievements

Gunze's CO_2 emissions reduction targets

Category	FY2030
CO_2 emissions reduction in Scope 1 and 2	35% or more reduction compared to FY2013

More details >

System

GUNZE has established climate change response as one of the key priorities of its sustainable management and is building and advancing a governance framework.

Sustainability promotion structure >

Climate Change Initiatives and Information Disclosure (TCFD)

In October 2021, the Gunze Group expressed support for the recommendations put forward by the Financial Stability Board (FSB)'s Task Force on Climate-related Financial Disclosures (TCFD).
TCFD requires disclosure of the frameworks for examining climate change, indicators, and targets for evaluating the medium- and long-term impact of climate change on corporate value and for identifying risks and opportunities from climate change, and the way in which these examinations are reflected in corporate management.

(1) Governance

Governance relating to climate change is part of our sustainability promotion structure.

Roles of committees and organizations in sustainability promotion

Committees and organizations	Roles
Board of Directors	Monitors the progress of measures to address sustainability issues, including issues pertaining to the environment, particularly climate change, as well as human capital and other topics as discussed and decided during business execution
Executive Committee	Discusses and makes decisions on important business administration and execution matters related to Group-wide sustainability, such as environmental issues centered on climate change, as well as human capital and other topics
Sustainability Committee (As a general rule convened once per quarter)	Discusses and makes decisions on basic and response policies as they pertain to sustainability
Risk Management Committee (As a general rule convened once per quarter)	Discusses occurrence of risk events related to sustainability, measures taken or to be taken, and risk prevention
Main Departments in Charge	Promote initiatives to address sustainability issues and identify risks and opportunities (Environmental Impact Strategy Promotion Office: environmental issues with a focus on climate change; Personnel & General Affairs Department: human capital of the Gunze Group, etc.)

(2) Risk management

Major risks related to climate change are based on the sustainability promotion structure.
Important issues are reported from the Sustainability Committee and Risk Management Committee to the Corporate Officers' Meeting and then to the Board of Directors, thereby integrating and managing Group-wide risks.

(3) Strategy

We selected the plastic films field and apparel business (innerwear) as the Gunze Group's main businesses for scenario analysis, and we identified short- to long-term risks, studied countermeasures, and for these, extracted considerations and opportunities.
This time, we conducted analysis in response to the 1.5°C target since this has become the global target.
Specifically, we have formulated two scenarios that reference reports issued by governments and international organizations.
These include the decarbonization scenarios (1.5°C scenario) such as the NZE2050[*1] presented in the IEA World Energy Outlook and the warming progression scenarios (4 °C scenario) based on the IPCC AR5 RCP8.5 scenario[*2].
The two scenarios are analyzed based on transition risks toward a decarbonized economy and physical risks associated with the progression of global warming.
The Gunze Group will continue to revise its scenario analysis to improve its strategies.

(4) Indicators and targets

Based on the Basic Policy for Plastic Resource Circulation established in 2019, we are actively promoting the 3Rs + Renewable[*3] while also developing new resource recycling technologies and expanding their application to apparel and all other business segments to further enhance our efforts.
As a key initiative for the Gunze Group, we are also strongly promoting the Circular Factory Plan, which aims to recycle resources in the plastic films field.
In the Plastic Film Company, the Zero Waste Project also completed a system at the core Moriyama Plant to recycle all product types of different shapes, reducing plastic waste by 70% in FY2024.
Moving forward, we aim to achieve zero waste plastic early on, promoting the establishment of an internal recycling scheme to our overseas plants.
We are also actively developing products that respond to the risks and opportunities gained through scenario analysis.
In the plastic films field, GEOPLAS®, which was launched last year, has steadily broadened its market presence.
In the apparel field, Asedoron, designed to withstand extreme heat and mild winters, shipped over two million units overall (as of July 2025), growing into a product supported by customers year-round.
Through these initiatives, in the FY2024 CDP[*4] Questionnaire's climate change field, we were certified with a B score, demonstrating that we are aware of our own environmental risks and impacts and are taking action.
The CDP Questionnaire drew responses and information disclosures from 24,800 companies worldwide and more than 2,100 companies in Japan.
The B score that we received is the third highest on an 8-point scale.

*1 NZE2050 (Net Zero Emissions by 2050): One of the scenarios presented in the IEA's World Energy Outlook 2020. It is a 1.5°C scenario that surpasses the target of the Paris Agreement and aims for zero CO_2 emissions by 2050.

*2 RCP8.5 scenario: A scenario in Figure SPM6 of the summary for government policymakers of Synthesis Report (SYR) of the IPCC Fifth Assessment Report (AR5), which forecasts a temperature increase of 2.6°C to 4.8°C by 2100.

*3 The 3Rs + Renewable: The 3Rs include Reduce (using fewer resources for production and reducing waste), Reuse (using products and parts repeatedly), and Recycle (effectively using waste as raw materials or energy sources), and this policy adds a fourth R with Renewable.

*4 CDP: A non-profit organization that operates a global system to facilitate environmental information disclosures by companies and municipalities in response to requests from global institutional investors concerned about environmental issues such as climate change.

Responding to Climate Change related Risks and Opportunities

Risk items		Risks	Period	Degree of financial impact	Plastic films field	Innerwear field	Responding to Risks and Opportunities
Transition risk (1.5℃)	Coal prices	Emissions trading and carbon taxes introduced in many countries, increasing operating costs	Medium to long term	Large	○	○	Risk response: Reduce the financial impact of carbon taxes by increasing investment in renewable energy and shift- ing to low-carbon energy sources
	Plastics regulations in various countries	Raw material prices increased due to stricter regulations prompting the introduction of bio-materials and recycled materials	Medium to long term	Large	○	○	Risk response: Establish technologies that break down and reuse waste plastic and provide products that meet customer needs
	Changes in energy mix (electricity prices)	Higher ratio of renewable energy to electric power has driven up electric- ity prices	Medium to long term	Small	○	○	Risk response: Use of equipment with low power consumption; promote the installation of self-consumption solar power generation
	Price shifts in key commodities	Manufacturing costs for crude oil-de- rived synthetic fibers has increased	Medium to long term	Large		○	Risk response: Promote a shift from petroleum-derived to green materials
	Changes in customer behavior	More consumers are making purchasing decisions in line with their environmental impact	Medium to long term	Medium		○	Risk response: Increase sales of environ-mentally responsible products for ethical consumption
Physical risks (4℃)	Abnormal weather	Lower sales due to business activity suspensions and supply chain disruptions caused by wind and flood damage	Short to medium term	Medium	○	○	Risk response: Enhance supply chain disaster prevention at manufacturing sites and in logistics to strengthen business continuity capabilities
	Rising temperatures (volume of cotton cultivation)	Cotton prices up due to rising temperatures	Medium to long term	Medium		○	Risk response: Develop bio-materials and Risk response: Develop biomaterials and recycled materials
	Rising temperatures	—	Medium to long term	Medium	○	○	Opportunity: Products that address rising temperatures. Strengthened sales (shrink films, innerwear)

※Time period:：Short term 1-2 years, Medium term 3-5 years, Long term 6-10 years

※Financial impact in 2050:：Small = less than 100 million yen, Medium = 100 million yen to 1 billion yen, Large = 1 billion yen or more

CO_2 Reduction and Future Initiatives

(1) Scope 1, 2 results

In FY2024, we exceeded our goal of a 28% or more reduction compared to FY2013 with total emissions of 108,316 t-CO_2 (93.8% compared to the previous year) and a 37.2% reduction compared to FY2013.
As a basic policy, we are promoting energy saving and introducing renewable energy on a wider basis.
In FY2024, in addition to reductions resulting from the closure of some business sites, we promoted energy-saving activities utilizing Energy Management Systems (EMS), bought back the environmental value of internal FIT solar power facilities in Fukushima, Utsunomiya, and Konan, and introduced solar power facilities at newly established offices and plants (Konan and Ayabe).
We will continue to promote policies to improve renewable energy usage, including the expansion of solar power facilities to overseas business sites and the introduction of next-gen solar power facilities.

(2) Scope 3 results

Our FY2024 emissions totaled 393,953 t-CO_2 (up approx. 0.8% from the previous year).
Scope 3 includes CO_2 emissions across the supply chain other than Scope 1 and 2, and is impacted by increases or decreases in raw material procurement and sales across all businesses.
While there were reductions in raw material procurement and sales in the apparel business for this fiscal year, there were increases in the functional solutions and medical businesses, which were the main factors behind a minor increase in Scope 3 emissions.
In V30-2 (FY2025-FY2027), we will further promote the expansion of resource recycling (the 3Rs + Renewable) across the Group and focus on Reduce (minimizing resource use) and Recycle (advanced resource circulation), which both lead to significant reductions.
In doing so, we will work to establish a business foundation that minimizes the impact on Scope 3 as our business expands.
Going forward, we will monitor the impact of Scope 3 at our overseas business sites.

CO_2 emissions (Scope 1, 2 ,3)

		FY2024	Compared to FY2023		Compared to FY2013	
		Emission volume (t-CO_2)	Reduction volume (t-CO_2)	Reduction rate (%)	Reduction volume (t-CO_2)	Reduction rate (%)
Achievements	Scope1+2	108,316	7,201	6.2%	64,193	37.2%
	Scope1	31,051	3,681	10.6%	21,262	40.6%
	Scope2	77,265	3,520	4.4%	42,931	35.7%
	Scope3	393,953	-3,097	-0.8%	—	—

※ Scope 1 and 2 are calculated for all Gunze Group business sites in Japan and overseas (Scope 2 calculation is based on market criteria)
※ Scope 3 is calculated for all Gunze Group business sites in Japan.

Initiatives

The Gunze Group's Environmental Technologies and Initiatives

Responding to climate change (saving energy, creating energy, and using renewable energy)

- Reducing energy loss through the introduction of energy management systems (EMS)
- Improving the efficiency of boilers, air conditioners, and other utility equipment
- Saving energy through new buildings with airtight and thermal insulation (acquire ZEB and CASBEE certification)
- Systematically installing solar power generation systems
- Shifting to low CO_2 emission fuels (from heavy oil to LPG and electrification)

Introducing the Konan Plant's ZEB* Office Building (Konan City, Aichi Prefecture)

(Engineering Plastics Business)

Reflecting our desire and ideas to create comfort for customers and a fulfilling and comfortable work environment for employ- ees, a new office building was completed to serve as the face of the plant in February 2023.
The former office was a historic building completed in 1959. In light of the issues that continued to emerge as a result of age, there was an urgent need to secure and expand space to accommodate the expanding scale of business and the variety of products handled. To expand the production area, we therefore decided to consolidate the conference rooms and offices in the plant building and reconstruct the office building. In addition to consolidation, our goal was to also create a facility that was stylish, comfortable, and environmentally friendly.
A fusion of the past and present with an exterior that showcases the features of Gunze's historical buildings, the architectural design also incorporates such accents as dimmable lighting and wood grain to create comfortable, pleasant spaces. In addition to improving convenience and comfort, there was a focus on renovating the dining hall. Ingenious efforts were made to make dining a relaxing and enjoyable experience, including offering a variety of seating styles and menus produced in collaboration with famous restaurants.
Moreover, the layout was designed to enable its double use for casual meetings and other functions, which help improve communication among employees. In terms of environmental friendliness, we also incorporated a variety of energy-saving measures and were thus able to obtain ZEB certification.
By having a new office that incorporates various design features and measures, we devised a way to boost employee motivation.
We hope that our customers will understand Gunze's corporate stance, and that the implementation of environmentally responsible management will lead to the sustainable growth of business.

*ZEB: Net Zero Energy Building
A building design that aims to reduce the balance of primary energy consumed by the building to zero. Having achieved a 102% reduction in standard primary energy consumption (energy saving 53%, energy creation 49%), the new office building at the Konan Plant was awarded the highest ZEB certification rating.



The Konan Plant's ZEB office building



Producing comfortable and pleasant spaces

Engineering Plastics Division

Reduce CO_2 Emissions through the Use of Renewable Energy

In addition to reducing the environmental impact of its operations, Gunze is vigorously working to reduce CO_2 emissions by expanding the use of renewable energy. The renewable energy currently being used is solar power generation. At our sites in Motomiya City, Fukushima, Konan City, Aichi, and Shimotsuke City, Tochigi, the company has installed solar power generation systems that use the FIT[*1] to generate "environmental value" = non-fossil certificates with tracking[*2], which we then buy back and use to decarbonize our own operations. In addition, at the Circular Factory in Moriyama City, Shiga Prefecture, scheduled for completion in 2023, solar panels have been installed on the entire roof of the building, and the electricity generated will be used as part of the plant's power supply. As a result of these facilities and other measures, the current percentage of renewable energy used by our company is approximately 5% in terms of domestic Scope 1 and 2.
In addition, to further improve this weight, the company plans to introduce solar power generation equipment at the new plant under construction in Konan City, Aichi, and the new plant in Ayabe City, Kyoto. We will also continue to consider introducing new technologies for solar panels (such as making them lighter) at other sites where it is difficult to install them.

*1 FIT： The acronym for Feed-in Tariff for Renewable Energy.
Under this system, electricity companies purchase electricity generated from renewable energy sources (solar, wind, hydro, geothermal, biomass, etc.) at a fixed price set by the government for a certain period of time.

*2 Non-fossil certificates with tracking： The value of electricity produced from renewable energy sources is securitized.
The certificates are given a unique number that allows them to be tracked as they are traded and used, preventing double counting.



Fukushima Solar Power Station

Collaboration with external parties

We believe that solving climate change issues requires collaboration with our customers, business partners, and local communities.
We engage in ongoing dialogue with diverse stakeholders and are working toward achieving carbon neutrality.
Furthermore, the Gunze Group promotes climate change countermeasures in partnership with stakeholders, actively supports these activities, and aims to realize a better society.

Carbon Negative Products Designed to Contribute to Both CO_2 Reductions and Sales

Our joint industry-academia project with the Center for Urban Research, Kyushu University, has shown that the amount of CO_2 absorbed and fixed in the landscaping and greening business exceeds the amount of CO_2 emitted during the production of BODY WILD “3D-MADE Boxers” and “Cutoff™ Boxers” products sold as part of the apparel business. As a result, these products received CARE Certification[*] from the Japan Institute of Metrology and Sustainability, an independent organization, thereby allowing us to commercialize these as carbon negative products that help improve the environment.

* CARE Certification

CARE Certification is the world’s first initiative to use a visual format as a means of indicating whether products and services appropriately consider the labor and natural environments during their production processes. CARE Certification includes both human rights and environmental frameworks, where Gunze has acquired

CARE Certification under the environmental framework.



More details >

ESG Finance

Guided by our founding principle of “Starving for harmonious coexistence with all stakeholders surrounding the company through a people-oriented approach and a commitment to quality,” we have always valued contributing to society with a strong sense of sustainability.
In our new mid-term management plan, “VISION 2030 stage1,” we have established “Environmentally Conscious Management” as one of our core strategies. We will further strengthen company-wide initiatives to reduce environmental impact through our business activities.
In advancing these initiatives, we will actively utilize ESG Finance *1 for necessary funding and enhance the transparency of our activities through reporting and other measures.

*1 ESG Finance

A financing method where funds are exclusively allocated to investments that contribute to solving environmental (E), social (S), and governance (G) issues.

Green Finance Framework

We plan to invest ¥12 billion in environmental initiatives by 2030. To implement green finance for these purposes, we have established the following Green Finance Framework *2.
Regarding third-party evaluation of compliance with green bond loan principles and guidelines, we have received an evaluation from Japan Credit Rating Agency, Ltd. (hereinafter, JCR) and obtained “Green1 (F)”, the highest rating in the “JCR Green Finance Framework Evaluation”.
Furthermore, at the time of obtaining this evaluation, the “Circular Factory Project *3” under this framework was the first initiative in Japan to obtain an evaluation for its entire resource recycling factory initiative.
Nomura Securities Co., Ltd. was selected as the structuring agent to support green finance through advising on the formulation of the framework and obtaining third-party assessments.

*2 Green Finance Framework

This document outlines our policies regarding:

(1) the use of funds raised through green finance;

(2) the project evaluation and selection process;

(3) the management of funds raised; and

(4) reporting, based on the Green Bond/Loan Principles/Guidelines.

*3 Circular Factory Project

A factory project to achieve resource circulation without generating waste by developing products suitable for recycling in the plastic film business, establishing re-materialization technology, and reusing waste plastics.

Please refer to the following for our Green Finance Framework.

Green Finance Framework (Japanese Only) (PDF:1.4MB)

Please refer to the following for JCR's assessment.

JCR Evaluation (Japanese Only) (PDF:1.9MB)

Green General Syndicated Loan

To secure the necessary funds for projects such as the construction of a circular factory, we have concluded a Green General Syndicated Loan*4 agreement in accordance with the Green Finance Framework, with Mitsubishi UFJ Bank, Ltd. acting as the arranger.

*4 Green General Syndicated Loan

A loan provided by a syndicate of financial institutions, including new financial institutions, based on a single agreement. The use of the funds raised is limited to investments that contribute to solving environmental issues.

Green General Syndicated Loan Overview

Contract Date	September 30, 2022
Arranger/Agent	Mitsubishi UFJ Bank, Ltd.
Lenders (in alphabetical order)	Oita Bank Shiga Bank National Credit Union Federation Tsukuba Bank Nanto Bank
Total Amount	4.5 billion yen
Loan Term	October 5, 2022 to October 5, 2026 (4 years)
Use of Funds	Circular Factory Project (Moriyama Plant): Construction of a building certified with CASBEE *5 A Installation of new lines with improved energy efficiency Green Building: Construction of an office building at the Konan Plant certified with BELS *6 5 stars and ZEB *7

*5 CASBEE (Comprehensive Assessment System for Building Environmental Efficiency)

A methodology for comprehensively evaluating and grading building quality, encompassing environmental considerations such as energy conservation and the use of materials with low environmental impact, as well as factors like indoor comfort and landscape considerations. Buildings are ranked on a five-tier scale. The Housing and Building SDGs Promotion Center, a general incorporated foundation, operates the “CASBEE Evaluation Certification System,” a third-party certification program.

*6 BELS (Building Energy Efficiency Labeling System)

One of the third-party certification systems based on the “Guidelines for Labeling the Energy Efficiency Performance of Buildings (Guidelines for Labeling the Energy Consumption Performance of Buildings)” established by the Ministry of Land, Infrastructure, Transport and Tourism. The system is operated by the Japan Housing Performance Evaluation and Labeling Association. It objectively evaluates energy efficiency performance and displays it using a five-tier star rating system.

*7 ZEB (Net Zero Energy Building)

A building designed to achieve a comfortable indoor environment while aiming for a net-zero balance of primary energy consumed by the building. This is accomplished through energy generation using renewable energy sources and energy conservation achieved by utilizing highly insulated structures, sensors, and other technologies.

Reporting (Japanese Only)

We will publish the allocation status of funds and environmental improvement effects annually until the procured funds are fully repaid.

Green Loan Annual Report FY2024 (PDF:380KB)

Green Loan Annual Report FY2023 (PDF:462KB)

Green Loan Annual Report FY2022 (PDF:490KB)

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Resource Circulation

Policy and Basic Approach Goals and Achievements Initiatives

Collaboration with external parties

Policy and Basic Approach

As part of our resource circulation efforts, we will promote company-wide “3R+Renewable” initiatives, with a focus on the plastics sector.
Within “3R+Renewable,” we will focus on “Reduce (reducing resource use)” and “Recycle (advanced resource circulation),” which offer high environmental impact reduction benefits. By enhancing the efficiency of resources input into our operations (Reduce) and promoting the use of recycled materials (Recycle), we will reduce virgin resource inputs and advance the reduction of environmental impact from our business activities.

Basic Policy for Plastic Resource Circulation

The problem of marine plastic waste is growing worldwide, and waste problems have worsened, particularly in emerging nations. This has led to stricter regulations for single-use and disposable plastics. Compliance with these regulations is also required by the SDGs (Sustainable Development Goals) adopted by all United Nations Member States in 2015. Activities to combat the problem of marine plastic waste are accelerating on a global scale, and GUNZE recognizes its social responsibilities as a company engaged in the manufacture and sale of plastic film packaging materials.

GUNZE proactively implements the “3Rs + Renewable*” initiative for plastics, to reduce the amount of plastic waste and help build a society that promotes plastic resource circulation.

As such, we have established the following policies.

(1) Reduce the volume of plastics and promote the reuse and recycling of plastic items.

(2) Help implement effective and efficient plastic resource circulation through easy-to-classify and easy-to-recycle product design and by aggressively using renewable raw materials.
(3) Help reduce the use of petrochemical raw materials by developing products using bio-based materials.
(4) Conduct appropriate management of waste, and ensure that production activities have a smaller impact on the environment, so as to fulfill our responsibility as a manufacturer.

*3R + Renewable
3Rs stands for Reduce (using fewer resources for production and reducing waste), Reuse (using products and parts repeatedly), and Recycle (effectively using waste as raw materials or energy sources). “3Rs + Renewable” means adding the use of renewable resources to the 3Rs initiative.

Goals and Achievements

Achievements in Reducing Plastic Waste Emissions （Plastic Film Company）

	Plastic Waste
FY2024	360t
FY2020	1016t

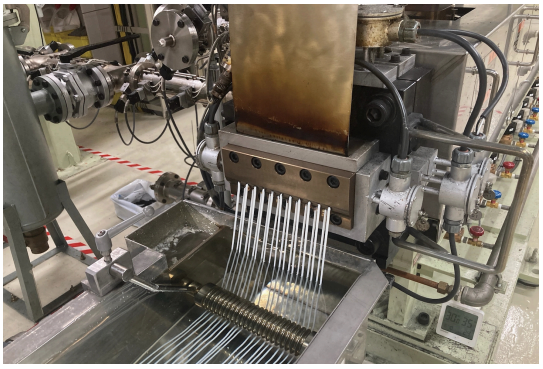
Initiatives

Production Technology Innovation

At the Plastic Group’s flagship Moriyama Factory, we mainly produce the shrink films used for labels on PET beverage and detergent containers.
In 2019, around 1,200 tons of production scraps were generated during the manufacturing process, much of which was disposed of.
Targeting the achievement of zero production scraps, what we refer to as zero waste, we therefore focused on recycling raw materials, introduced new recycling equipment, and increased our efforts to reduce production scraps.
To expand these activities beyond the Moriyama Factory to two other domestic and three overseas factories, repeated online zero waste meetings were held.
As a result, we were able to shrink production scraps to 400 tons in FY2023.
In parallel with efforts to achieve zero waste in FY2024, the Moriyama Factory is promoting PIR*1, a process by which client-generated production scraps are collected and turned back into raw materials.
Looking ahead, we will also proceed with PCR*2, which involves the collection of waste plastic within cities with the cooperation of our customers, local governments, and local communities.
As part of our efforts to automate the lines installed within the Circular Factory™, we created a system by which a new line was arranged alongside an existing line and workers from the old line respond only in the event of an operational abnormality.
Also, by automating the new line’s upstream raw materials intake process and downstream product packaging process, a virtually unmanned line has been completed.
The new line is also equipped with a function that automatically curbs the output of raw materials when manufacturing issues occur, thereby helping to minimize waste and paving the way for the unmanned night-time operations of the future. There are also various ways to recycle film.
Although the bar for recycling factory-generated pre-printed film waste is relatively low, the film waste generated by our client printing manufacturers requires a process to remove the ink (de-inking), which increases the amount of work and its degree of difficulty.
It is already possible to recycle printed film by de-inking, but there are issues with its cost.
Going forward, we will work to reach our goals aiming to achieve both social and economic benefits.

*1 Post-Industrial Recycling. Collection and recycling of waste generated during manufacturing processes

*2 Post-Consumer Recycling. Collection and recycling of used waste in the market



Production waste recycling equipment

Product Development Innovation

Gunze's core technologies lie in the development of different types of laminated films.
In particular, the hybrid shrinkable film made by laminating polystyrene (PS) and polyester (PET) has two properties—high shrinkability (attractiveness) and rigidity (film thinning)—and is therefore being widely used not only for PET bottles, but also for irregularly shaped containers and toiletry products that have poor heat resistance.
Gunze has leveraged its strengths in the selection and processing of a wide variety of raw materials to develop distinctive films and create value.
However, recycling is made more difficult when a film made up of multiple different materials is separated into its individual components, so the trend toward mono-material films, which are made up of a single material to facilitate recycling, is becoming mainstream worldwide.
On the premise of utilizing its multilayer-oriented film technology to that end, Gunze would like to resolve the recycling issue by establishing film separation and recycling technologies.
The experimental equipment for separating different types of materials was completed in February 2024.
In addition to recycling within the Company, in the years to come we will incorporate manufacturing waste generated by customers into our films to increase the recycled content rate of our products.
We have already launched products containing recycled materials onto the market.
At the end of FY2022, we launched GEOPLAS® HCT3, for which 30% recycled materials are used, and at the end of FY2023 we launched GEOPLAS® HCX1, the lightest in the industry with 5% recycled material content.
Although the latter has a lower recycling rate, it is the lightest product in the industry thanks to the use of thin-film technology to reduce the amount of material used.
We will also increase the recycled content rate and work to supply products made from 100% recycled materials by 2030.
I would like us to use the Moriyama Factory as a model Circular Factory™ and apply our know-how to other production sites, thereby transforming ourselves into a circular manufacturer.



The experimental equipment for separating different types of laminated films

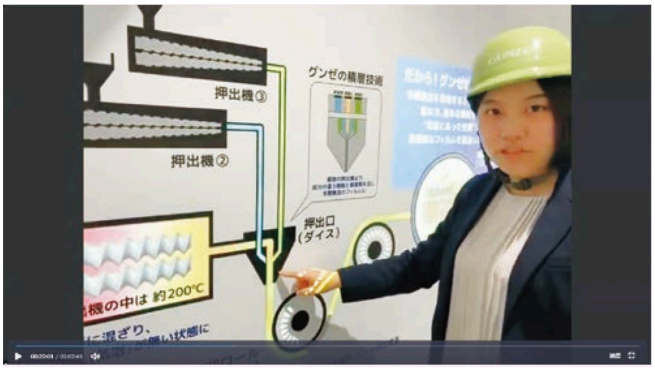


Beverage bottle labels for which GEOPLAS® HCX1 was adopted

Circular Factory™ Visitor Hosting Activities (Plastic Films Business)

In April 2023, work on the Circular FactoryTM was completed at our Moriyama Plant after around four years of planning with the aim of utilizing solar and groundwater energy, achieving zero emissions and the elimination of plastic waste, and producing sustainable products. From the completion ceremony until the end of May 2024, we received just under 1,200 visitors from approximately 200 companies (organizations). Due to the COVID-19 pandemic, sales representatives visited customers infrequently. As a result, there were fewer opportunities to obtain feedback regarding issues and needs. Visits to the Circular FactoryTM have contributed to concrete proposals for environmental responses, which in turn have led to a variety of collaborative projects. We are also holding online factory

tours for overseas customers, and our real-time responses are being well received.
In the Moriyama Plant's management office, there is a whiteboard that displays information for plant visitors and monthly tour schedules that are filled with almost no blanks and updated daily. The visitors are mostly business clients, but there are also many government and local government officials. Previously, due to concerns about maintaining confidentiality, we rarely had the opportunity to show people from outside the Company around the factory. The reason why the new plant even has walkways to welcome visitors is because resource recycling initiatives are difficult for a single company to achieve alone. For example, recycling requires cooperation from local governments and stakeholders, while the development of materials requires cooperation from customers with expertise in recycling technology and waste disposal. In terms of promoting resource circulation, it is necessary to involve the entire industry. For this reason, we have boldly shifted to a strategy of disclosing new initiatives.
The reactions from visitors have been positive, and we are beginning to see model cases of resource circulation. However, this activity will probably not immediately lead to an increase in sales. We will continue our activities in the belief that these initiatives serve as stepping stones for future strategies.



Online briefing for overseas customers



External view of the Circular Factory™

Plastic Film Company

Circular Factory Video

Collaboration with external parties

Label-to-Label Initiatives Through Collaboration with Other Companies

This technology removes the printed ink from used packaging labels and recycles them into new labels.
By recycling labels back into labels (material recycling), this technology helps recycle resources and reduce greenhouse gas emissions.

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Chemical Substances Management

Policy and Basic Approach Management Standards System Initiatives
Collaboration with external parties

Policy and Basic Approach

Chemical substances possess many excellent properties and are beneficial for business activities, but some can be harmful to people and the environment.
To reduce the potential risks of harm to people and the environment from such chemicals, we are working to reduce usage through measures such as switching to safer substances, improving process efficiency, introducing new technologies, and promoting recycling.
Throughout the chemical usage process, we conduct scientific risk assessments based on the hazards of individual chemicals and exposure levels. Based on these assessment results, we continuously improve our practices to ensure more appropriate management.

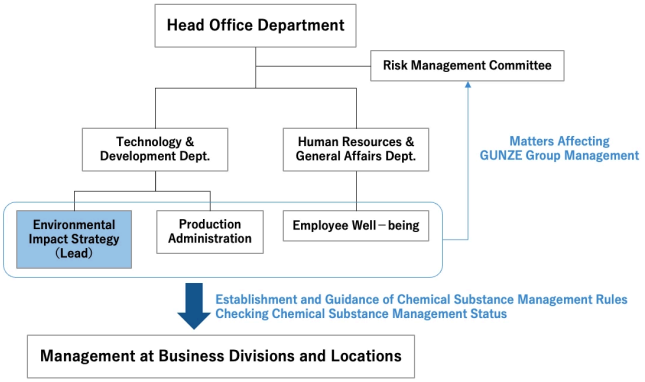
Management Standards

Our Group classifies chemical substances based on domestic regulations such as the Air Pollution Control Act, Water Pollution Control Act, and Industrial Safety and Health Act; international treaties like POPs; overseas regulations including REACH and TSCA; and information on carcinogenic properties.
We establish five management standards: B-rank (specific management), C-rank (use reduction), D-rank (emission reduction), and E-rank (other). When adopting and handling chemical substances within our Group, we implement measures in accordance with our management standards based on the above laws and regulations.

System

The Head of the Technology Development Department oversees chemical substance management for our group.
The Environmental Strategy Promotion Office within the Technology Development Department leads efforts to improve the company-wide chemical substance management system.
Individual chemical substance management is handled by the administrative departments at each facility, which investigate the hazards and risks of chemicals and develop countermeasures.
Each facility collaborates with the Technology Development Department to strive for business operations that are friendly to both people and the environment. The Technology Development Department monitors and tracks rapidly changing legal revisions, disseminates information, and adjusts the Group's overall chemical substance management standards accordingly. To enhance the Group's overall chemical substance management level, it also holds regular training sessions for chemical substance managers at each business site.

GUNZE Group Chemical Substance Management System



Initiatives

1.Product Safety Management

In our apparel division, certain products such as antibacterial items meet the standards of the Textile Evaluation Technology Council (TETC), and we display the “SEK Mark” on these products.
The SEK Mark guarantees not only “antibacterial and deodorizing effects” but also “durability of effects (wash resistance)” and “processing safety.”
It is a mark of trust awarded to products that contain no harmful substances and have passed skin irritation tests.

2.Safety Management (Environmental Conservation)

Compliance with the Pollutant Release and Transfer Register Act (PRTR Act)

Our group strives to reduce emissions of hazardous chemicals by calculating and reporting the discharge and transfer quantities of substances subject to the PRTR Act at each business site and factory.
We analyze the overall results published annually to utilize them for reducing our own discharge and transfer quantities.
We advance emission reductions through measures such as improving or updating manufacturing equipment and devices, optimizing operating conditions, installing removal equipment for the relevant substances, and substituting raw and auxiliary materials.

Efforts to Prevent Air Pollution and Water Pollution

Our group complies with regulations set by national and local governments, as well as environmental conservation agreements. In addition, we establish and manage voluntary control standards for gases and water discharged from our business sites and factories that are stricter than legal requirements when necessary.
We install monitoring equipment within production processes and utilize environmental conservation technologies, including our proprietary VOC treatment equipment, to remove harmful chemicals from exhaust gases and wastewater. Furthermore, we strive to improve manufacturing processes to minimize the use and discharge of these chemicals.

Example of Chemical Usage Reduction Initiatives

In the textile materials sector, improvements to equipment and processes have reduced total methanol usage, decreased environmental emissions from volatilization, and lowered workplace exposure levels.
This improvement simultaneously reduces resource consumption, environmental emission risks from chemicals, and worker exposure risks.

Collaboration with external parties

In the engineering plastics field, we have established and continuously operate a recycling scheme for organic solvents, which are typically treated as industrial waste, through collaboration with suppliers.
This initiative not only reduces the discharge of organic solvents into the environment but also serves as one of our model cases for resource-circulating recycling within the company.

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Reducing Waste

Policy and Basic Approach Goals and Achievements Environmental Compliance Status

Initiatives Collaboration with external parties

Policy and Basic Approach

To advance company-wide resource circulation (3R + Renewable), we will reduce waste by decreasing resources input into operations through “Reduce.”
For waste still generated from business activities, we will promote “Recycle” to further advance waste reduction.

Goals and Achievements

Total waste generated >

Environmental Compliance Status

During the three-year period from fiscal year 2022 to fiscal year 2024 (VISION 2030 stage 1), there were no violations related to waste (including permit, standard, or regulatory violations).
We comply with various laws and regulations, including the Waste Management and Public Cleansing Act, and conduct appropriate management and processing.

Initiatives

As a measure to promote and strengthen sustainable management, the Gunze Group is working to enhance new corporate value by transforming itself into a circular manufacturer.
As a pioneer in this field, we show examples below of some of the innovation efforts being undertaken in the plastic film business. We are currently working to deploy these initiatives horizontally at a Companywide level.
Our basic approach is to recycle waste generated from the Gunze Group's manufacturing activities through horizontal and cascade recycling, while aiming for in-house recycling. As a specific initiative, plastic waste generated from plastic film factories is recycled into raw materials through horizontal recycling. For items that cannot be recycled horizontally, we will adopt a cascade process to recycle items into plastic products used in other business divisions (such as the hangers, hooks and sewing thread cones in the apparel business) to promote recycling within the Company. We also cascade recycle discarded cotton and synthetic materials from apparel factories into mixed paper (paper made by mixing pulp with waste materials) and use that within the Company. Going forward, we will advance proposals for the widespread use of these materials in external products as industrial materials. We are also promoting the recycling of the chemical substances (such as organic solvents) used at each factory both inside and outside the Company. Having completed the system and mechanisms for the horizontal recycling of organic solvents, the Engineering Plastics Division is able to generate profits by means of in-house recycling and is already putting the system to practical use.
At the same time, the Gunze Group will accelerate its transformation into a comprehensive circular manufacturer as a sustainable company for the future by further promoting reduction and reuse in a bid to limit the amount of resources used in manufacturing.



Examples of circular cotton paper use

Collaboration with external parties

Reduce the amount of plastic waste from our distribution centers and has developed hangers made of 100% PCR material.

We have developed recycled hangers made from 100% PCR material using recycled plastic.
We are promoting initiatives to realize a resource-circulating society by collaborating with logistics and manufacturing companies.

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Water Resource Conservation

Policy and Basic Approach Goals and Achievements Water Risk Evaluation Initiatives

Collaboration with external parties

Policy and Basic Approach

Water plays a vital role in various ways across our Group, including textile processing in the apparel sector and tree cultivation in the Life Create sector.
At our production sites, we establish voluntary standards stricter than environmental laws and local regulations to prevent pollution in our environmental discharge water, fostering coexistence with local communities that share our water environment. Furthermore, we will promote sustainable water resource utilization through efficient water use and recycling, tailored to each site's geographical characteristics and water consumption levels.

Goals and Achievements

The water quality of the final discharge >

Water Risk Evaluation

We utilize the Aqueduct Water Risk Atlas provided by the World Resources Institute (WRI), an international environmental NGO, to assess water risks at our manufacturing site locations.

As China and Southeast Asia—regions where our Group's key sites are located—were identified as areas with high water risk, we are advancing detailed analysis based on information from each site.

Initiatives

Case Study: Improving Textile Dyeing Technology in the Apparel Field

The dyeing process for fibers used in underwear, stockings, and sewing thread consumes large amounts of water and energy to impart color and texture.
By introducing and establishing new dyeing technologies, we have significantly reduced water usage and energy consumption per product manufactured, achieving a permanent reduction in environmental impact.
This improved dyeing technology is steadily applied to new materials and colors planned each year, continuously advancing environmental impact reduction.

Case Study: Water Resource Recycling in the Plastic Film Sector

At the Moriyama Plant (Moriyama City, Shiga Prefecture), a core facility in the plastic film sector converted to a Circular Factory® (resource-recycling factory) in 2023, the proximity to Lake Biwa is leveraged to utilize abundant groundwater for machine cooling and air conditioning.
After use, the warmed groundwater is also utilized as an auxiliary heat source for heating. It is then returned to the ground at a lower temperature. This approach ensures limited water resources are not wasted and contributes to sustainable production activities that consider the local environment.

Collaboration with external parties

Participation in Regional Environmental Conservation Activities

Our group supports environmental conservation activities conducted by government agencies and NGOs, and actively participates in water source conservation efforts near our facilities.
Examples include participating in and assisting with cleanup activities at Lake Biwa and Amanohashidate.

Participation in the “Zero Waste Operation”

The “Zero Waste (530) Operation” was held at Kihama Lakeshore in Moriyama City, with participation from citizen groups, neighborhood associations, and Gunze.



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Biodiversity

Policy and Basic Approach Goals and Achievements Collaboration with external parties

Policy and Basic Approach

The Gunze Environmental Charter establishes as its fundamental principle: “We fully understand our reliance on the gift of nature, so we strive to maintain harmony with the global environment and promote the preservation of biodiversity.”
As a concrete action toward this principle, it sets forth the guideline: “We will implement programs to increase the environmental awareness of our employees, and encourage them to cooperate with and contribute to the environmental preservation efforts of local communities.”

Goals and Achievements

	Model Forest Campaign Frequency	No. of participants
FY2025	4 times	135
FY2024	4 times	137
FY2023	4 times	125
FY2022	4 times	144
FY2021	2 times	73
FY2020	1 time	56
FY2019	4 times	162
FY2018	4 times	113

Collaboration with external parties

Kyoto Model Forest Campaign

Gunze concluded the Agreement on Forest Use and Conservation with the Kyoto Model Forest Association and has been conducting volunteer activities for Satoyama conservation in the concluded area in Ayabe, the city where the Company was founded, as part of the Kyoto Model Forest Movement in Ayabe about four times a year since July 2010.
The model forest initiative encompasses the practice of sustainable community development proposed by Canada at the World Earth Summit in1992. The goal is to develop and conserve forests that provide multifaceted functions, including the production of timber, prevention of global warming, prevention of sediment runoff and collapse, recharge of water sources, formation of good landscapes, improvement of health, and biodiversity.
The initiative resumed in fiscal 2022 after a hiatus owing to the COVID-19 pandemic. This model forest activity has been conducted a total of 42 times since its start in 2010 and attracted an aggregate total of 1,237 participants. Activities since 2018 include the construction of an observatory and the planting of mountain cherry trees as well as maple trees in the Obata district of Ayabe City as part of the Obata Castle Restoration Project. Most recently, we have been working with the Obata Castle Preservation Association, NPO Satoyama Net Ayabe, Kyoto Prefectural College of Forestry, Kyoto Prefectural Nakatan Regional Promotion Bureau, and the Ayabe City Department of Agriculture, Forestry, Commerce and Industry to establish a native azalea colony.



54th Kyoto Model Forest Campaign in Ayabe

Ongoing Implementation of Midosuji Avenue Ginkgo Tree Project

Based on the Agreement on the Supply of Ginkgo Trees on Midosuji Avenue signed with the City of Osaka, we provided an additional 19 ginkgo trees in FY2023. The future vision for Midosuji Avenue is to “become a people-centered street.”
Although people are the main focus, the ginkgo tree promenade planted there provides a symbol of this vision. In the years to come, we would like to continue working on this project and contribute to creating a neighborhood full of greenery in Osaka.





Gingko trees on Midosuji Avenue

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Environmentally Considerate Products & Technologies

Policy and Basic Approach Initiatives Collaboration with external parties

Policy and Basic Approach

The Gunze Group's fundamental philosophy is “By offering environmentally responsible products and services, we aim to contribute to the development of an affluent, sustainable global society.” We are promoting the creation of environmentally conscious products and technologies.

Initiatives

We will actively work to upgrade and expand environmentally responsible products, with the aim of increasing the use of such sustainable raw materials as recycled polyester, organic cotton, and biomass for packaging.

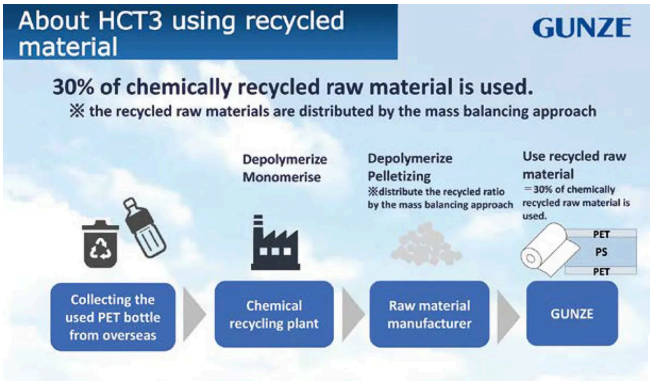
Threads and Accessories Business

Sewing thread made of 100% recycled polyester



Plastic Film Business

Hybrid shrinkable film with a recycled material ratio of 30%



Threads and Accessories Division
Plastic Film Company

Collaboration with external parties

Planting for Forest of Silence at Expo 2025 Osaka Kansai Main Venue

For the 2025 Osaka-Kansai Expo, we delivered over 500 trees ranging from 3 to 10 meters in height to be planted in the main venue's "Forest of Silence." Furthermore, in the "Cycle of Life" project to transplant nearly 1,000 trees originally planted at venues like the 1970 Japan World Exposition (Osaka Expo) to the Forest of Silence, a new transplanting method utilizing a special material developed in the textile materials field was adopted.



Preparations for the transplant of trees from the site of Expo 70 in Osaka

Related Link

Environmentally Friendly Lightweight Shrink Film

Sustainability

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Integrated Report

Sustainability TOP

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Business
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Social

The Gunze Group upholds the founding principles of “Respect for Humanity”, “Production of Superior Products”, and “Coexistence and Mutual Prosperity” as its corporate philosophy. We will contribute to society as a company that is essential to society and one that achieves sustainable development alongside society.

Human Rights >

We uphold respect for humanity as our founding principle and value the rights of all individuals

Human Capital >

We strive to be a company where finds fulfillment in their work and can maximize their strengths

Diversity, Equity & Inclusion >

We aim to be a company where diverse individuals can fully utilize their abilities

Health & Safety >

We promote activities aimed at creating a safe, comfortable, and easy-to-work-in workplace

Quality Assurance and Customer Responsibility >

We deliver reliable quality assurance across all our businesses, earning our customers' trust

Supply Chain >

We work together with our suppliers toward building a sustainable society

Social Contribution >

We strive to contribute to society and fulfill our responsibilities as a corporate citizen

Stakeholders Communication >

Through dialogue with our stakeholders, we continuously work to enhance corporate value

External Evaluation (ESG Information Related) >

We promote sustainable corporate activities, aiming to improve our ESG ratings

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Human Rights

Policy and Basic Approach Goals and Achievements System Initiatives

Collaboration with external parties

Policy and Basic Approach

Gunze's Human Rights Policy Statement

We have inherited our founder’s mindset and shared it as our corporate philosophy for over the 120 years: People-oriented approach, commitment to quality, and harmonious coexistence.
The following "GUNZE’S HUMAN RIGHTS POLICY" is established in order to clearly express our commitment to ensuring the corporate philosophy to respect for human rights.

1. We endorse the UN Global Compact, the UN Guiding Principles on Business and Human Rights and other international principles relating to human rights.

2. In our business activities, we respect the human rights, individuality, and diversity, and do not discriminate against people because of their race, nationality, gender, or other factors.
We strictly prohibit any child labor, forced labor and inhuman treatment including cruel disciplinary punishments.

3. We implement the initiatives as stipulated in our in-house "Sustainability Promotion Rules" to respect the human rights of all employees, identify the negative impacts on human rights and endeavor to remediate them, through appropriate processes such as whistleblower system.

4. We require our supplier to comply with "Gunze Group Supplier Code of Conduct" in accordance with the "Gunze Group Sustainable Procurement Guidelines", gather information on any risks that could cause negative impacts on human rights, and work to prevent and mitigate the identified negative impacts.

5. We continue to provide necessary training for all employees to respect for human rights and deepen the understanding of employees on human rights issues.

Goals and Achievements

Actual Conditions of In-House Assessment

	Number of plants surveyed regarding non-Japanese technical interns※		
	FY2022	FY2023	FY2024
Domestic plants	Six plants ・Yanase Plant ・Miyazu Plant ・Yabu Apparel Ltd. ・Tohoku Gunze Co., Ltd. ・Tsuyama Gunze Co., Ltd. ・Kyushu Gunze Co., Ltd.	Three plants ・Miyazu Plant ・Tohoku Gunze Co., Ltd. ・Kyushu Gunze Co., Ltd.	Two plants ・Yanase Plant ・Tsuyama Gunze Co., Ltd.
Outsourced manufacturing plants			Fifteen plants

※The survey was conducted at all six domestic plants and fifteen outsourced manufacturing plants that had technical interns working for them at the time of the survey.

Assessment Survey of Major Suppliers

	Number of suppliers surveyed※
	From FY2022 to FY2024
Plastics field	14
Engineering plastics field	9
Medical business	5
Gunze Medical Limited	4
Apparel business	75
Textile materials field	12

※ In FY2022, the scope of surveyed suppliers was broad.
However, to standardize practices across business divisions, the scope of the survey was revised in FY2023 to include major suppliers that account for approximately 80% of the total amount of transactions. From FY2023, we received responses from almost all of the suppliers we asked to participate in the survey.

System

GUNZE positions “people-oriented approach” as the foundation of its business activities. Through its Sustainability Committee and Risk Management Committee, the company promotes awareness throughout the organization and has established systems to address global human rights issues.

More details ›

Initiatives

Initiatives to Promote a Corporate Culture of Respect for Human Rights

To promote a corporate culture of respect for human rights, we participate in external human rights organizations such as the Osaka Liaison Association of Companies Concerned with Dowa and Human Rights Issues. In addition, we strive to raise awareness of human rights through initiatives such as the "Human Rights Slogan" campaign during Human Rights Week.

Whistleblowing System

The "Anything Goes Hotline" has been established as a whistleblower hotline under the direct control of the President. In accordance with the Company's Anti-Harassment Policy and Whistleblower Protection Policy, consultations and reports are handled with care and respect for the privacy of the whistleblower and other parties involved. The number of consultations decreased from the previous year, but the number of consultations related to harassment increased. There is no record of the number of consultations based on the Whistleblower Protection Regulations. The company continues to strive to respond in good faith from a fair and impartial standpoint.
Efforts to Eliminate Workplace Accidents

Initiatives to ensure respect for human rights (Human rights due diligence)

Gunze's founding philosophy emphasizes respect for human rights, and the Group has always valued the rights of all individuals associated with it.
In 2021, we established the Gunze Group Sustainable Procurement Guidelines to clarify our policy on respecting human rights and other sustainability issues. We collaborate with our suppliers to address these matters.
Since the United Nations announced its Guiding Principles on Business and Human Rights, companies have been asked to better live up to their responsibilities to society.
Since FY2022, the Group has been enhancing its efforts and conducting the following assessments.

In-house assessments

In light of human rights risk cases involving non-Japanese technical interns at other companies, the Gunze Group conducted a survey of six plants in Japan to assess the situation at these plants.
In FY2023 and FY2024, we conducted on-site inspections, including interviews of non-Japanese technical interns, to assess the hygiene conditions in their working and living environments.
In FY2024, we requested that 15 manufacturing plants to which we outsource operations in the apparel business that hire non-Japanese technical interns con- duct self-checks and confirmed that they are in compliance with labor-related laws and regulations.
We will continue to conduct assessments regularly to ensure these plants are operated properly.

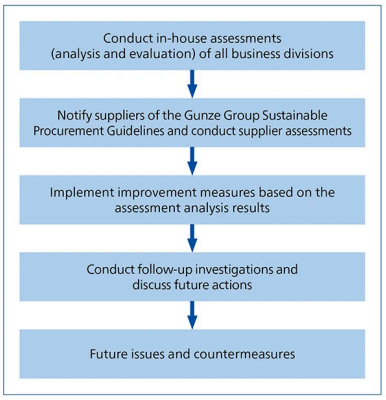
Collaboration with external parties

Supplier assessments

Since FY2022, the Gunze Group has been assessing key suppliers in certain business divisions to identify, analyze and evaluate adverse impact and risks on human rights and develop and implement appropriate measures.
To assess the status of suppliers' efforts regarding respect for human rights, environmental conservation and quality and safety, we asked suppliers to perform a self-assessment using the Global Compact Network Japan's CSR Procurement Self-Assessment Questionnaire* (the "Self-assessment") and evaluated their responses.
In FY2022 and FY2023, we asked 115 major domestic suppliers in the apparel business, medical business, plastics field, engineering plastics field, and textile materials field to perform a Self-assessment of their performance.
The results of the Self-assessment showed that while large companies with capital of more than ¥300 million recorded high scores, small and medium-sized enterprises with capital of less than ¥300 million scored low, revealing a tendency for efforts to be insufficient.
In FY2024, we asked four key Gunze Medical Limited suppliers to perform a Self-assessment of their performance. For the first time, overseas suppliers were included in the scope of the survey.
The Self-assessments in the past three fiscal years revealed no issues regarding the working environments within our supply chain. However, our staff individually spoke with personnel at suppliers whose scores were low, and we are collaboratively working to improve their conditions.

* Self-Assessment Questionnaire for CSR procurement: Questionnaire developed by the Global Compact Network Japan to assess degree of understanding of CSR requirements.

Human Rights Due Diligence* Implementation Flow



* A process for identifying negative impacts on and risks for human rights, analyzing and evaluating risks, and formulating and implementing appropriate measures

Declaration on Responsible Corporate Conduct in the Textile Industry and Clothing industry of Japan

In September 2023, we participated in the declaration for “Responsible Business Conduct for the Textile and Clothing industry of Japan” by the Japan Textile Federation. We hereby declare that we will actions, with the cooperation of all direct and indirect suppliers in our product supply chain, to respect the human rights of all workers involved in the manufacturing of our products, including foreign technical intern trainees.

Declaration on Responsible Corporate Conduct in the Textile Industry and Clothing industry of Japan

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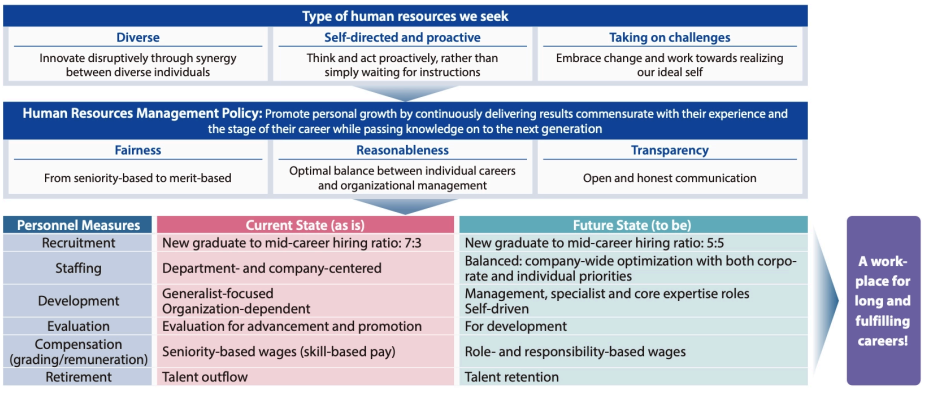
Human Capital

Policy and Basic Approach Goals and Achievements System Initiatives

Employment and Benefits Labor Union

Policy and Basic Approach

GUNZE has established the fundamental concept of “advancing the creation of a sustainable business foundation to become a company consistently chosen globally” in its mid-term management plan. As part of its human capital strategy, it aims to “create human resources and an organizational culture capable of executing management strategies that lead to the enhancement of sustainable corporate value and competitiveness.”



Goals and Achievements

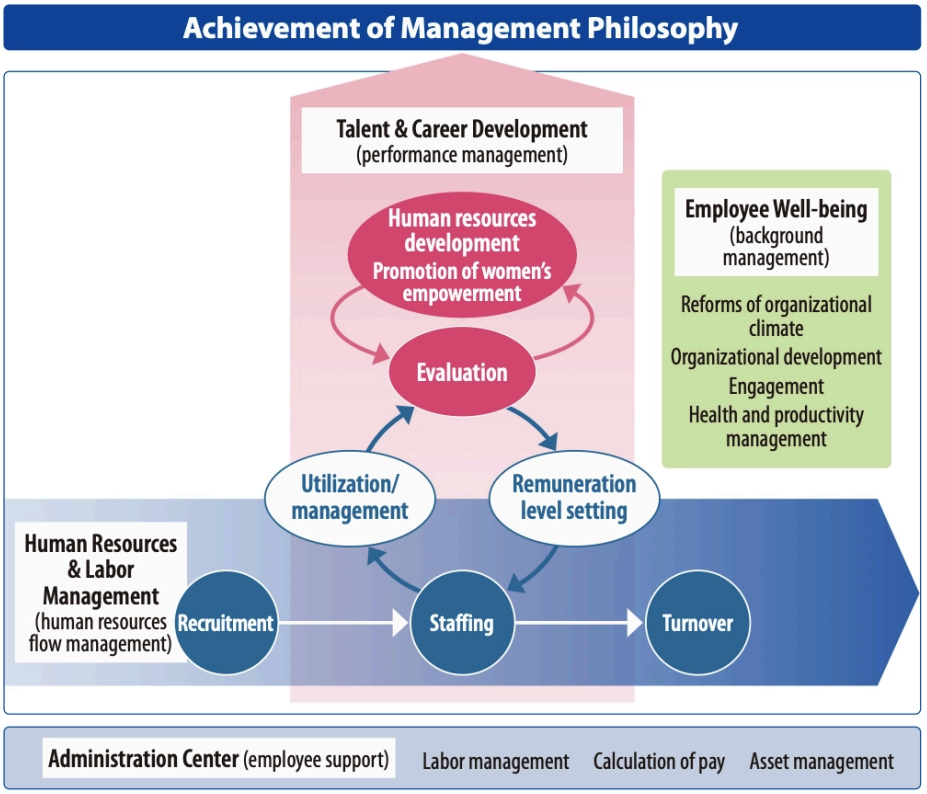
Materiality Initiatives, achievements and KPIs (FY2027 - FY2030 Targets)

Category		Indicator	FY2024		FY2027	FY2030
			Targets	Results	Targets	Targets
Evolution of Corporate Constitution	Promoting women's active participation	Ratio of women in managerial roles	Over 6%	6%	Over 14%	Over 20%
		Ratio of women employees	35%	35%	38%	41%
		Ratio of women new graduates hired on a main career track (excluding those working rotating shifts)	50%	52%	50%	50%
	Child-rearing support	Men's paternity leave utilization rate	50%	78%	70%	100%
	Corporate culture reform	Engagement score	70 points (estimate)	62 points	66 points (estimate)	70 points (estimate)
	Work-style reform	Annual paid leave utilization rate	75% (15 days)	73% (14.5 days)	80% (16 days)	80% (16 days)

More details >

System

Based on our human resources strategy and the qualities we seek in our talent, we have established our Human Resources Management Policy around three principles, fairness, reasonableness and transparency, to ensure that employees who meet expectations can have long and fulfilling careers. Our policy is for employees to “pursue personal growth by continuously delivering results commensurate with their experience and the stage of their career while passing knowledge on to the next generation.” Guided by this policy, we are implementing various initiatives to realize our vision for the future.
To maximize the impact of personnel system reforms aligned with our management and personnel strategies, it is essential to not only advance human capital management initiatives but also promote a reform of our organizational culture that delivers sustainable impact. Accordingly, we reorganized the Human Resources Department in 2025, ahead of our institutional reforms.



Initiatives

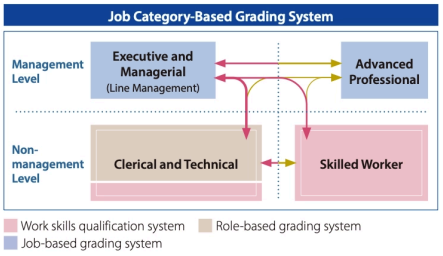
Personnel System Reform for the Sustainable Creation of Corporate Value

Basic policy

In response to changes in the social environment and employee values, we aim to sustainably increase corporate value by building a system grounded in the principles of fairness, reasonableness and transparency; a system that enables individual employees to have a sense of purpose and satisfaction, fully demonstrate their strengths and continue to thrive.

Personnel measures

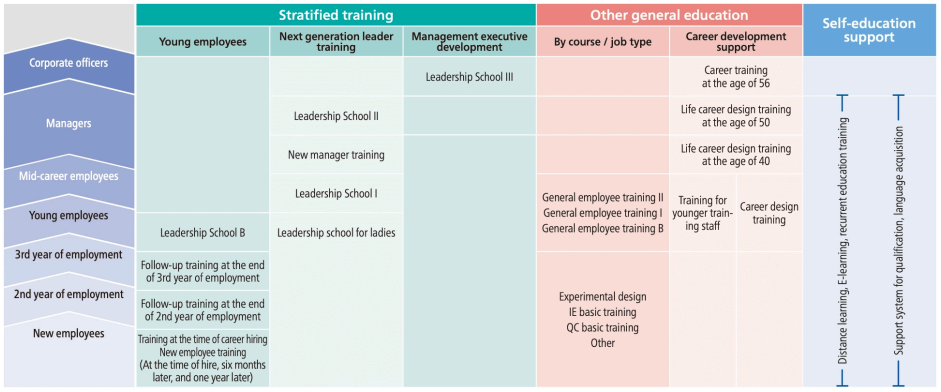
• Embrace diverse values and increase the percentage of people hired mid-career to 50%.
• Establish a group of highly skilled professionals with a strong market value that are compensated on par with line management.
• Design evaluations that reward employees who take on challenges without fear of failure.
• Abolish the traditional job-course system (career track, regional career track and non-career positions). Instead, divide job categories according to role expectations at the company-wide level and introduce a grading system tailored to the characteristics of each category, thereby enhancing consistency and fairness across responsibilities, duties and compensation.
• Link organizational objectives with individual goals by incorporating ambitious targets that accelerate both corporate and employee growth, thereby reinforcing confidence in the evaluation process.
• Minimize seniority-based elements to eliminate mismatches between responsibilities and compensation.
• Expand options that reflect employees' life stages and personal aspirations and implement placement strategies balancing company and individual priorities and creating systems that enable employees to have long and fulfilling careers.
(effective from FY2026)



Performance Management System / Personnel Evaluation System	
Development	Combination of management, specialist and core expertise roles Self-driven
Evaluation	For development
Ideal vision of the performance management system	A system in which diverse employees proactively set challenging goals that leverage their strengths, thereby contributing to organizational growth
Ideal vision of the personnel evaluation system	A tool whose function is to develop employees by helping them build on their strengths and overcome weaknesses

Education and training for human resource development

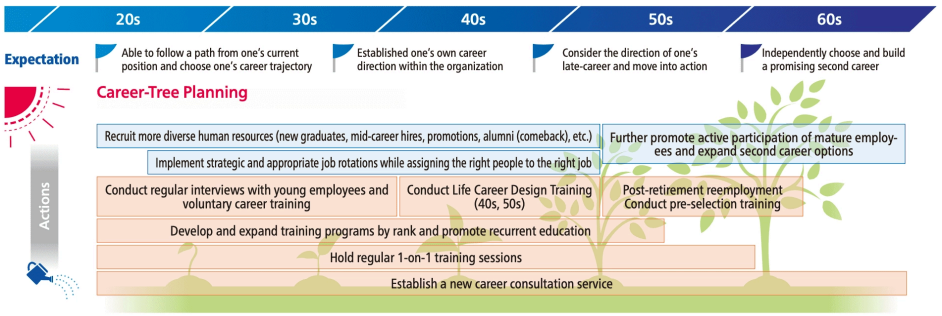
Education and Training Systems



Career Autonomy Promotion

Against the backdrop of an uncertain current outlook, we recognize the need to engage in human capital management that regards human resources as "capital," and the urgency involved in developing human resources who are conscious of their own career and are prepared to act autonomously. Only in this way can we enhance our corporate value.
The Gunze Group encourages each and every employee to pursue diversity and to act on their own initiative in order to realize a career that makes the most of their strengths. In addition to supporting their career development as a company, we strategically assign the right people to the right job.

Carrier expectations in each age group and problem-solving approaches



(1) Implement strategic and appropriate job rotations while assigning the right people to the right job

We initiated Human Resource Share personnel exchange meetings as a forum through which each division can share information on human resources from 2023 and to expand opportunities for individual-led transfers that facilitate autonomous career planning.

(2) Support proactive career development

The Gunze Group has upgraded and expanded a variety of opportunities in an effort to support proactive career development.

Upgrade and expand career training

The Gunze Group has a high percentage of senior employees. As such, the need to ensure that its senior employees are able to work energetically and demonstrate their skills is an important human resource issue. With this in mind, we have upgraded and expanded training opportunities at the age of 40 and 56 in addition to existing programs at the age of 50.
Moreover, self-development support programs, including distance learning, which was previously limited to regular permanent employees, have been upgraded and expanded to include post-retirement rehired employees and contract employees to enhance re-skilling and recurrent education opportunities.

Promoting widespread acceptance and use of 1-on-1 meetings

The 1-on-1 meetings introduced in 2022 are used to foster psychological safety by increasing opportunities for communication between managers and meeting participants and strengthen trust. Building on this foundation, 1-on-1 meetings provide a place to support growth.
Two years have now passed since introducing 1-on-1 meetings. Based on the verification of issues, Gunze is promoting a raft of improvement initiatives while also taking into consideration methods that mirror the Company's unique business structure and systems. In this way, we are working to promote the widespread acceptance and use of 1-on-1 meetings.

Upgrading and expanding the career counseling system

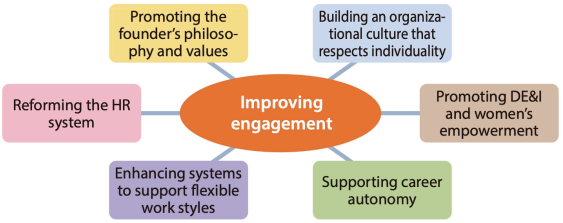
Human resources staff are encouraged to obtain career-related certifications.
In this vein, the Gunze Group has strengthened its career-related support structure and systems. Established in May 2023, the Career Support Desk helps resolve a variety of work-related issues, including career development, human relations, and skills development. As of April 2024, the Desk responded to 11 requests, and will work to promote further expansion of its use.

Established Career Support Desk (from May 2023)

As we enter the era of 100-year lifespans, employees must design their own careers, determine their life goals and career vision (life career), and work toward them in order to achieve independent career development. In order to actively support these actions, we have recently established a Career Support Desk, through which the Company helps employees deal with the various issues that arise in their duties together so that they do not have look for solutions alone.

Employee Engagement

Engagement is a measure of the trust-based relationships between employees and the Company, in which employees are motivated to demonstrate their capabilities and contribute to the organization's success.
We conduct monthly engagement surveys to assess the condition of our employees and the organization and apply our findings in future initiatives.
Engagement is influenced by a wide range of factors related to the company and its organizational environment.
To address these factors and enhance engagement, we are implementing the initiatives shown on the right.



Overview of engagement survey results

	Engagement Analysis (Main Items)		
Areas of strength	Satisfaction with salary	Cooperation between divisions	Pride in the Company's business and services
Areas with challenges	Providing career opportunities	Satisfaction and motivation	Relationships with supervisors and colleagues
Areas improved in the past two years	Work-life balance	Satisfaction with salary	The culture of taking on challenges

Work-Life Balance

Gunze has established various human resources systems to enable people with diverse characteristics, perspectives, and circumstances to work with high performance.
We are reforming to a flexible work style that is not restricted by location or time by promoting telecommuting, flextime, and remote work, as well as introducing time-based annual leave and a comeback system.

Annual Leave (full day, half day, time)

In addition to paid leave in units of a day or half a day, employees can also take paid leave in units of hours. We also have a well-developed paid leave system, including the "three-day off system" introduced in fiscal 2017 and an increase in the target number of days to be taken annually.

Flextime

In March 2018, Gunze introduced flextime. By leaving the start and end times of work to individual employees, the company aims to increase their independence and initiative and improve productivity through flexibility.

Working from home

In March 2018, Gunze introduced working from home to enable a more productive and efficient work style that fits each employee's diverse lifestyle and work style.

Comeback System (Reentry System for Retirees)

This is a system that allows employees who left Gunze due to unavoidable circumstances such as child care, family care, or spouse transfer, or for career advancement due to study or job change, to return to work for Gunze.

Career change system

Gunze has a career change system to encourage a variety of work styles, such as employees who want to change from a general position to a career track position to take on different challenges, or employees who want to change to a regional career track position because marriage has made it difficult to move to a new city.

Refreshment Year System

In order to refresh and further motivate employees to lead a healthy and fulfilling professional life, the company provides consecutive paid leave (Refresh Leave) and incentive payments according to the number of years of service.

Refreshment Year 10
Three consecutive days of refreshment leave for employees with 10 years of service.

Refreshment Year 25
Five consecutive days of refreshment leave and a 25-year service award (100,000 yen) for employees with 25 years of service.

Self-development Support System

Employees who obtain the qualifications specified in the "List of Qualifications to be Encouraged to Acquire" or those approved by the company are eligible to receive an incentive (10,000 to 100,000 yen) and assistance with tuition and other expenses.
In addition, under the distance learning support system, employees who complete a distance learning course can apply for support for approximately half of the course fee. These self-development support programs are also available during leaves of absence, allowing those who have taken unavoidable leaves of absence to develop their careers.

Childcare and Nursing Care Support System

Since April 2015, managers have been conducting "support interviews for balancing work and childcare," as we believe it is necessary to create an environment in which employees can continue to work while taking advantage of the system. The company has also prepared a Q&A manual for managers so that not only those who use the system, but also managers, can properly understand the system and smoothly manage the entire department.

Childcare Leave

You can take childcare leave up to the day before your child's second birthday.

Reduced Working Hours for Childcare

In principle, 6-hour days until the end of March when the child enters the sixth year of primary school. If desired, the hours can be reduced in 15-minute increments, from 30 minutes to 2 hours per day, as needed.

Childcare Fee Subsidy

Employees who take childcare leave for two months or longer and, upon returning to work, are in a dual-income household or a single-parent household with a child under six months of age placed in childcare, will receive a subsidy for childcare fees up to a specified limit until the end of March in the year the child turns three.

Extended Childcare Fee Subsidy

Employees who are dual-income households or single-parent households with children, and who incur extended childcare fees due to work while placing children in childcare, will receive a subsidy for these fees up to a specified limit.

Childcare Subsidy

For children up to sixth grade, employees who use babysitters or similar services (including municipal sick child care and family support centers) to secure work hours will receive a subsidy for the usage fees up to a specified limit.

Long-Term Care Service Fees Subsidy

Employees caring for eligible family members will receive a subsidy up to a specified limit for fees incurred to secure work hours when using long-term care insurance services.

Nursing Care Leave

A period of up to one consecutive year (which may be divided into several periods) to care for an eligible family member, combined with reduced work hours for caregiving.

Reduced Work Hours for Nursing Care

When caring for an eligible family member, for a period of up to one year in the aggregate with the period of caregiving leave; may be up to two hours per day in 30-minute increments; may be divided into multiple periods; may be taken concurrently.

Nursing Care Leave

Five days per year (10 days for two or more eligible family members) to care for or otherwise attend to an eligible family member.

Employment and Benefits

Single-Person Dormitory & Company Housing System

Provision of single-person dormitories and company housing

Housing Assistance Program

Rent subsidies through the Housing Assistance Program

Holiday System

Two-day weekend system, 115 to 123 annual holidays (varies by workplace), etc.

Retirement Benefits System

Three systems: Lump-sum Retirement Payment, Defined Benefit Corporate Pension, Defined Contribution Pension

Employee Perks

Gunze Store, Discounted Use of Gunze Sports Facilities

Other Welfare Programs

Employee Stock Ownership Plan, Welfare Fund (various congratulatory payments such as wedding gifts, condolence payments, etc.) and other programs available.

Labor Union

Conclusion of labor agreement

Gunze respects the freedom of association and the right to collective bargaining.
Gunze has established the sound development of its business and the improvement of the social and economic status of its employees as common goals of labor and management, and strives to establish constructive and stable labor-management relations.
We have a union shop system, and all employees who are "eligible to join the union" under the labor-management agreement are members of the union.

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- Apparel Store Information

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Diversity, Equity & Inclusion

Policy and Basic Approach Goals and Achievements Initiatives External Evaluations

Policy and Basic Approach

The Gunze Group regards diversity and inclusion as one of its most important human resources strategies. We aim to enable all employees, regardless of their attributes and values, to fully demonstrate their abilities while feeling motivated in their duties.

Goals and Achievements

More details >

Initiatives

Promoting Women's Empowerment

The Gunze Group positions DE&I as a key pillar of its human resources strategy and proactively promotes the empowerment of women

Establishment of the Women's Empowerment Office

In April 2025, we established the Women's Empowerment Office within the Human Resources Development Section of the Personnel & General Affairs Department.

The office leads initiatives, such as increasing the percentage of people hired that are women, formulating individualized development plans for candidate man- agers who are women and providing training to eliminate unconscious bias.

Increase of management's awareness

In October 2024, we hosted a company-wide lecture under the theme "Human Capital Management Beginning with the Empowerment of Women." The lecture, delivered by a guest speaker, emphasized the importance of empowering women and introduced best practices implemented by leading companies.

Prior to the event, we conducted an internal survey about female employees' career aspirations and the challenges that hinder women's advancement. Referencing the results of this survey, President discussed the issues with the lecturer and shared his message about the empowerment of women with all employees.

Development and implementation of a system to promote women to leadership positions

The Gunze Leadership School Ladies (GLSL) training program conveys the Company's expectations regarding female employees, facilitates employees' independent creation of visions for their careers and encourages people to demonstrate leadership within the organization.

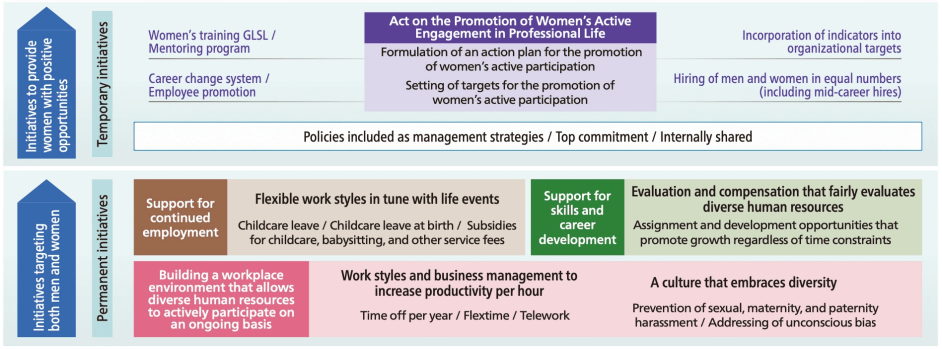
In FY2024, the program was extended to include employees in non-career positions, and there have been 65 participants over the past three years.

The program has supported employees taking ownership of their careers in many different ways. Some participants have advanced into management roles, while others have redefined their career paths and pursued re-skilling.



GLSL training

Map of Initiatives for Women's Active Participation



Balancing work and family, contributing to the Company from a medium- to long-term perspective



Chinatsu Kobayashi
Senior Manager, Legal & Compliance Office, Intellectual Property/Legal Department

I was hired by Gunze in 2016 as a mid-career hire, and I was appointed Senior Manager of the Legal & Compliance Office in 2025.
Our office handles legal consultations and contract reviews. It also provides legal support for the implementation of business initiatives under the Medium-term Management Plan.
Outside of work, I am a mother of two. I lead a busy life. At home, our rule is “whoever can, does what they can.” My husband and I share responsibilities, such as picking up and dropping off our children at daycare or cram school, as well as cooking.
Even with overseas business trips or urgent meetings that sometimes keep me late, I am able to manage my family responsibilities thanks to the support of my husband.
I always make a conscious effort to set clear priorities and manage my time effectively. There are times when childcare and personal matters must take precedence, but rather than feeling pressured or discouraged by comparing myself to others, I believe it is important to maintain a medium- to long-term perspective and continue contributing to the Company.

GUNZE's Diversity & Inclusion Initiatives

Driving globalization around the world



Faisal Chowdhury
Manager, Gunze United Limited

With experience as a merchandiser in the apparel industry and prior work experience in Japan, I joined Gunze United in 2014 as a Japanese-language interpreter, and I also took on sewing thread sales responsibilities.
At that time, Gunze sewing thread did not have a high profile in Bangladesh, and it was extremely difficult to receive orders. However, through frequent customer visits, I was able to build strong relationships of trust.
This success enabling me to contribute to the Company gave me great confidence. Becoming a full-time employee of Gunze was an important milestone in my life, and I am deeply honored to have had that opportunity.
Today, I travel around the world to help our global business, one of the key priorities under VISION 2030 stage2. With the spirit of “never giving up, and always hoping for the best,” I am committed to continuing to contribute to our business.

Employment of People with Disabilities

Based on the principle of "Achieving the legally mandated employment rate," the company works to maintain and create employment opportunities for people with disabilities on an ongoing basis.
Specifically, employment promoters at each business site, led by the person in charge of promoting employment for persons with disabilities, identify workplaces and jobs that are suitable for persons with disabilities, and work with local Hello Work offices to match persons with disabilities with workplaces and jobs, and provide support for workplace adjustment.

Support for Childcare and Nursing Care

We have three visions regarding support for work-life balance: no employee should have to leave the Company due to their childcare or nursing care responsibilities, we shall develop an organizational culture where employees can confidently use the systems that are in place, and employees should be able to continue to demonstrate their abilities and further their careers even after experiencing childcare or nursing care.
Based on the results of an internal survey conducted in FY2024 and in line with the revised laws that came into force in April 2025, we have revised our support systems as summarized in the table on the right.
We remain committed to building sustainable support mechanisms and embedding them into our organizational culture.

Work-life balance support programs

Childcare	Nursing care
Childcare leave (until the child is two years of age; includes five days of paid leave)	Nursing care leave (up to one year)
Shorter working hours for childcare (until the child completes 6th grade of elementary school)	Shorter working hours for nursing care (up to a total of three years)
Child nursing care leave (until the child completes 6th grade of elementary school)	Nursing care leave
Subsidies for childcare services (1) Daycare fees (2) Extended childcare fees (3) Babysitter fees	Subsidy for nursing care service fees
Work-life balance counseling	
Work-Life Balance Support Handbook for sharing information	

Support System

Maternity Leave

Maternity leave can be taken during pregnancy or within one year after childbirth if the employee receives medical advice from a doctor, or if the employee is unable to work due to morning sickness up to four months into pregnancy.

Hospital Visit Leave

Leave may be taken when a pregnant woman or a woman within one year of giving birth has to go to the hospital during working hours for health check-ups, etc. under the Maternal and Child Health Act.

Spouse's Maternity Leave

Employees may take leave for up to three days and the number of days required for round-trip travel to the birth location when their spouse gives birth.

Child Care Leave

Employees may take the necessary number of days (hours) to care for sick or injured children up to the third grade of elementary school, or to receive medical checkups or vaccinations.

Support Meetings for Employees on Parental Leave

In an effort to help employees continue to thrive after a life event, as of April 2015, we conduct interviews with employees who have taken parental leave and their managers at the following times to support a smooth return to work after parental leave.

(1) When reporting pregnancy

(2) When taking maternity leave

(3) Before returning to work

(4) After deciding where to return to work



(5) 3 months after returning to work

Mentoring

Mentoring is provided for the purpose of "building human networks" and "supporting the education and career development of future business leaders.



External Evaluations

Action Plan for General Employers on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Promotion of Measures to Support the Development of the Next Generation

●Vision: Through promoting Diversity & Inclusion (DE&I), we aim to be a company where diverse talents can thrive and contribute long-term.

1. Plan Period: April 1, 2025 - March 31, 2028 (3 years)

2. Plan Details: Attached（Japanese Only）

Gunze has been certified as an "Osaka City Leading Company for Women's Activities" since January 15, 2015.

Action Plan for General Employers on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Promotion of Measures to Support the Development of the Next Generation (PDF:149kb)

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Health & Safety

Policy and Basic Approach Goals and Achievements System Initiatives

Policy and Basic Approach

Health and Productivity Management Initiatives

We believe a workplace environment where all employees can work with vitality while maintaining both physical and mental health is a crucial foundation supporting the company's sustainable growth. We have established a framework to actively promote employee health maintenance and enhancement, formulating our “Health and Productivity Management Declaration.”

Health and Productivity Management Declaration

Based on our founding spirit, Gunze believes that “human resources” are the most important asset in corporate management.
We are committed to creating a workplace environment where every employee respects one another and can work with peace of mind, maintaining both physical and mental health.
We declare our commitment to actively promoting Health and Productivity Management, aiming to become a company essential to society by enabling each employee to fully utilize their abilities.

June 2026
Takahiro Oka
Representative Director and President,
GUNZE LIMITED

Goals and Achievements

More details >

System

To realize our Health and Productivity Management Declaration, the promotion framework designates top management as the Chief Health Management Officer.
The Human Resources Respect Office leads operational efforts, collaborating with relevant departments to actively promote employee health.



Health and Productivity Management Strategy Map

We clearly define the challenges we aim to resolve through health management initiatives, organize specific action plans and target metrics, and execute them systematically.

More details (Japanese Only) >

Initiatives

Health and Productivity Management Initiatives

Protecting the health and safety of employees is a fundamental prerequisite for business operations. Many companies implement health initiatives in line with the requirements of the Ministry of Economy, Trade and Industry's KENKO Investment for Health Outstanding Organizations Recognition Program.
Although we have not yet obtained this certification, we have implemented fundamental initiatives for a long time, including ensuring that all employees have regular health checkups, encouraging employees that require treatment or further examination to consult medical professionals, establishing and operating a rehabilitation work system to support employees returning from personal illness or injury leave, implementing infectious disease prevention measures and promoting anti-passive smoking policies. We therefore believe that we already have a foundation for health and productivity management in place.
Beginning in FY2025, with advice from external experts, we will thoroughly analyze our current situation to identify challenges, set our future direction and develop specific initiatives to address these challenges in order of priority. We will also work in collaboration with the health insurance association to ensure these initiatives are efficiently and effectively implemented.
We will continue to advance health and productivity management to ensure that employees remain physically and mentally healthy and able to perform at their best.

Mental Health

In order to prevent the occurrence of mental health problems, the company is promoting line care training for managers and counseling services through the Mental Health Telephone Counseling Service.
In the future, we will conduct stress checks (including at workplaces with fewer than 50 employees, which are not legally required to

conduct stress checks) to help employees understand their own stress status, and promote workplace analysis and counseling for high-stress employees in cooperation with occupational health physicians and others.

Efforts to Eliminate Workplace Accidents

The company promotes activities aimed at "creating a safe, comfortable and enjoyable workplace" with zero occupational accidents. Specifically, the Health and Safety Committee plays a central role in reducing the risk of occupational accidents through risk assessment, strengthening safe work training, and raising the safety awareness of each individual employee.

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Quality Assurance & Customer Responsibility

Policy and Basic Approach System Quality Management System Certification Status

Initiatives Collaboration with external parties Our Commitment to Customers

Policy and Basic Approach

Since its founding, Gunze has prioritized providing products and services that customers can use safely and with peace of mind, adhering to product safety regulations under the management philosophy of “Respect for Humanity and Provision of Superior Products.”
Moving forward, across diverse business domains, we will continue to earn customer trust through our Product Safety Basic Policy and consistent quality assurance system.

Basic Policy for Product Safety

With safety above everything else, we manufacture and supply products that our customers can rely on.

System

Quality Assurance System

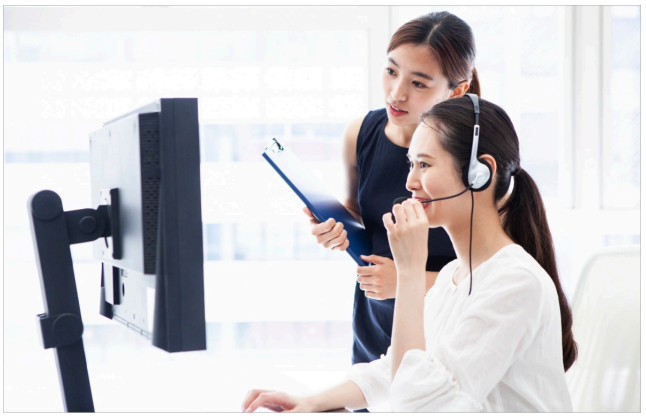
We have established a quality assurance system centered on the Chief Quality Assurance Officer, operating under the President and CEO.

・Technology Development Department Quality Management Division: Oversees company-wide quality management, audits, improvement activities, and manages/supervises fraud prevention.

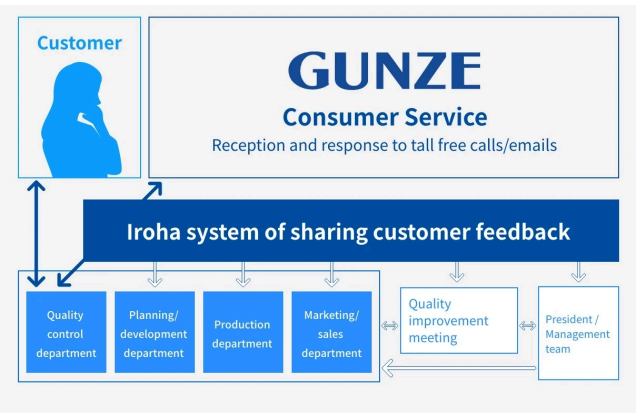
・Business Division Quality Assurance Department: Implements quality assurance and quality management tailored to each business product's specific characteristics.

While each business division implements quality management leveraging its specialized expertise, company-wide quality assurance activities maintain a unified, high-quality standard.

Consumer Service



Consumer Service System



To ensure maximum satisfaction for all customers, our consumer service staff is at work responding to inquiries and requests from customers and sharing their input with related divisions. Of the questions and feedback the consumer service staff receives, 93% are related to our apparel business. Of these, 60% include requests to purchase products introduced in newspapers or magazines.
To quickly and correctly respond to customer demands, the consumer service staff keeps close contact with the sales department to exchange information. They also respond to complaints and claims with extra care by working closely with related business divisions to identify the causes of problems.

Contact Us ›

Quality Management System Certification Status

The Gunze Group has established a Quality Management System (QMS) centered on its manufacturing sites, aimed at continuous quality improvement.
Additionally, it has obtained external certification standards according to the characteristics of its businesses.

Major Certified Standards

ISO9001: Quality Management System
ISO13485: Medical Device Quality Management System (Medical Division)
OEKO-TEX® STANDARD 100: Textile Product Safety Certification (Textile Materials Division)

Each business site and factory obtain certifications tailored to its specific operations. We strive for continuous improvement of our quality management system through regular audits conducted by third-party organizations.

Quality Management System External Certifications Status ›

Initiatives

Conducting regular quality audits by the Head Office Quality Department
Implementing quality activities involving all employees (including tiered quality education) and improvement proposals

Promoting quality management through data utilization
Utilizing customer feedback

Collaboration with external parties

Appropriate provision of product information to customers

Our Commitment to Customers

Through these initiatives, Gunze will continuously provide customers with “reliable, safe, and high-quality” products, contributing to the realization of a fulfilling life.
If you have any opinions or requests regarding quality, please feel free to contact our Customer Service Center.

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Supply Chain

Policy and Basic Approach Goals and Achievements System

Green Purchasing and Procurement Initiatives

Policy and Basic Approach

We promote sustainable practices not only at our own company but across our entire supply chain to embody our core principles throughout all corporate activities. Considering the rapid changes in our business environment, we have recognized the necessity to present this commitment to our suppliers and business partners in a more concrete manner.
To support our suppliers and business partners' understanding of the Gunze Group's Sustainable procurement activities, and to ask cooperation in our policies, we established the Gunze Group Sustainable Procurement Guidelines in January 2019.
We at the Gunze Group are determined to continue working together with our suppliers and business partners to help build a sustainable society. Your continued cooperation would be greatly appreciated.

Gunze Group Supplier Code of Conduct

(Established: March 2010, Revised: January 2019)

As specified in the Gunze Activity Guidelines, the Gunze Group's basic policy is to comply with fair and internationally accepted rules as we conduct business activities. The Gunze Group Supplier Code of Conduct declares that Gunze expects suppliers and business partners that make up our supply chain to accept and uphold the Group's policies concerning legal and regulatory compliance, development and supply of safe, beneficial products and services, environmental preservation, and respect for human rights, personality, and individuality, as follows:

Article 1. Legal and Regulatory Compliance

(1) Promote corporate activities through fair and free competition by strictly observing social rules.

(2) Adhere to applicable laws and regulations. Maintain sound ethics, avoiding any unethical behavior.

(3) Observe international rules, while respecting the culture and conventions of each country of operation, in order to promote corporate activities that earn a high reputation.

Article 2. Supply of Quality Products

Maintain a commitment to develop and supply socially beneficial and safe products and services throughout our corporate activities.

Article 3. Environmental Preservation

Actively address environmental issues in corporate activities and strive to promote harmonious coexistence with the global environment.

Article 4. Human Rights

(1) Respect human rights and individual character, never engage in discrimination based on ethnic group, nationality, gender, or other nonperformance-related attributes in hiring practices and work.

(2) Never use child, forced, or compulsory labor, nor engage in unjust and inhumane labor practices, including harsh punishment.

(3) Recognize and respect the rights of employees to freedom of association and collective bargaining, unless prohibited by law.

Article 5. Labor Practices

(1) Provide a safe and healthy working environment, by giving due consideration to employee health.

(2) 2. Comply with all applicable laws in the country of operation concerning hours of work, wages, and employee benefits.

(3) Comply with all applicable laws and regulations when hiring foreign workers or migrant workers (including technical interns) and avoid unfair labor practices that could infringe upon the human rights of these workers.

Article 6. Confidential Information and Intellectual Property

We shall continue to take appropriate measures to prevent disclosure of confidential or personal information, including technological or trade information obtained or accessed through business transactions, and respect intellectual property rights.

Article 7. Gifts and Entertainment

We shall not offer money, gifts, or entertainment for the purpose of receiving unjustified benefits.

Goals and Achievements

Assessment Survey of Major Suppliers

	Number of suppliers surveyed※
	From FY2022 to FY2024
Plastics field	14
Engineering plastics field	9
Medical business	5
Gunze Medical Limited	4
Apparel business	75
Textile materials field	12

※ In FY2022, the scope of surveyed suppliers was broad.
However, to standardize practices across business divisions, the scope of the survey was revised in FY2023 to include major suppliers that account for approximately 80% of the total amount of transactions. From FY2023, we received responses from almost all of the suppliers we asked to participate in the survey.

System

We have established a Sustainability Committee and a Risk Management Committee, and are committed to realizing a sustainable society and maximizing corporate value through our business activities.

Sustainability Promotion System ›

Green Purchasing and Procurement

We will conduct purchasing and procurement activities that contribute to global environmental conservation and reducing environmental impact.
We will promote green procurement that contributes to reducing environmental impact by adopting materials that do not contain harmful chemicals.

Gunze Group Sustainable Procurement Policy

The Gunze Group is committed to fulfilling its social responsibilities by complying with all applicable laws and regulations, while also globally promoting comprehensive Sustainable procurement practices integral to its environmentally conscious activities.
In collaboration with our suppliers and business partners, we seek to strengthen our Sustainable commitment across our entire supply chain, by meeting the requirements in the areas of the environment, labor conditions, and human rights, along with quality, pricing, and delivery schedule.
To this end, we will conduct surveys, inspections, and monitoring of our suppliers and business partners to assess their current status of Sustainable procurement across the supply chain as necessary. Should any nonconformance with our Sustainable procurement policy be discovered, and no corrective action taken, we will take the appropriate measures.

Our Sustainable Procurement Policy is as follows:
1. We provide all suppliers with fair and equal trade opportunities based on the principle of free competition, disregarding nationality, scale, or past trading performance.

2. When purchasing parts, materials, and/or services, we select suppliers based on criteria including quality, pricing, delivery schedule, environmental preservation, technological capabilities, business management system, and other factors, in a fair and ethical manner, and pursuant to related laws, regulations, and social norms both in and out of Japan.
3. We procure parts, materials, and services from suppliers in the most appropriate locations, selected from among those worldwide by maintaining a global perspective.
4. We conduct purchase and procurement activities that help preserve the global environment and lessen environmental impact. We also employ parts and materials that do not use any hazardous chemical substances in order to promote green procurement that contributes to the reduction of environmental harm.
5. While maintaining a high sense of ethics, we comply with all laws, regulations, and social norms related to procurement and purchase activities, as we seek to build a strong partnership with our suppliers.
6. We appropriately control and strictly protect any information we have obtained or accessed during purchasing transactions.

Established: January 2019
Revised: April 2021

Initiatives

For Fair and Equitable Transactions

At the Gunze Group, each business division makes arrangements to ensure that all of its business activities are conducted based on fair and free competition by observing laws and social rules and maintaining high standards of corporate ethics.

Attitude toward Antisocial Forces

The Gunze Group takes a firm stand against antisocial organizations and groups that threaten the public order and security.
We will refuse any of their demands, and will not have any interaction whatsoever with them.
In particular, we will hold firm on our policy of refusing any demands for money or gifts that infringe upon the Commercial Code, or donations, membership fees, purchase of books or other materials, or provision of information that may result in unjustified benefits.
In our relationships with suppliers as well, we have reviewed the Gunze Group Supplier Code of Conduct and updated it to include the provision regarding the elimination of antisocial forces in business contracts with suppliers.

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Social Contribution

Policy and Basic Approach Nurturing the next generation

Engagement with Local Communities and Local government Charity Work, Volunteer Activities

Disaster-Affected Areas and Humanitarian Aid Collaboration with external parties

Policy and Basic Approach

The Gunze Group declares in Chapter 1 of the Gunze Group Code of Conduct: “Gunze shall strive to contribute to society through its corporate activities and fulfill its responsibilities as a corporate citizen.”

Chapter 1
Gunze endeavors to contribute to society through its corporate activities and to fulfill its responsibility as a corporate citizen.

1. We shall develop useful, safe products and services, for society and deliver relief and satisfaction to our customers.
2. We shall proactively pursue environmental health issues in our corporate activities, and work to co-exist with the global environment.
3. We shall support and participate in community activities, as well as social activities, and contribute to society.
4. We shall educate and enlighten all members of the company so that they can be good corporate citizens. We shall respect human rights, personality, and individuality in all corporate activities.
5. We shall value communication with society and disclose corporate information in a positive and fair manner to ensure transparency.

Sustainability Management >

Nurturing the next generation

Gunze's Innerwear workshop

More details

*This site is only in Japanese.

Engagement with Local Communities and Local government

Engagement with Local Communities

Gunze Museum



Opened on May 24, 2014, the Ayabe Gunze Square comprises Ayabe Tokusankan (specialty products store), Ayabe Rose Garden, and Gunze Museum. Considered as one of the most important tourist spots in Ayabe City, the Ayabe Gunze Square collaborates with various activities of “Kyoto by the Sea” project, which promotes the creation of attractive places for tourists in the northern part of Kyoto Prefecture.

Gunze Museum’s “Tsudoi-gura” community hall is used by various circles and individuals for exhibitions related to culture, arts, education, and welfare. (Its use by circles and individuals based in Ayabe City is subsidized by Ayabe City and Gunze, respectively, for one-third of the usage fee.) Gunze also cooperates with Ayabe Tokusankan and Ayabe City in holding various events through the Square’s partnership conference involving Ayabe City, the Ayabe Chamber of Commerce and Industry, the Ayabe Tourism Association, and Gunze Museum.

	No. of visitors	No. of “Tsudoi-gura” users
FY2024	**52,002**	**27 groups**
FY2023	27,740	22 groups
FY2022	16,363	17 groups
FY2021	6,778	14 groups
FY2020	8,618	7 groups
FY2019	41,896	23 groups

Factory tours and workplace experiences

Gunze factories and logistics centers accept local elementary, junior high, and high school students to observe these facilities, while also allowing trainees to experience work.



Environmental Conservation Initiatives

More details

Charity Work, Volunteer Activities

The Gunze Love Earth Club was established in April 2006 as a social contribution initiative to commemorate Gunze's 110th anniversary. The club contributes to society by collecting donations from its members and facilitating donations to NPOs and similar organizations through the company's matching system.
Gunze will continue its unique support moving forward, focusing on areas such as the environment, children, and health to help realize a sustainable society.

Activity report for 2024 (PDF:363KB)

Disaster-Affected Areas and Humanitarian Aid

GUNZE provides support through the emergency disaster response alliance “SEMA”* when large-scale natural disasters occur within Japan.

*SEMA is a disaster response alliance that provides one-stop support utilizing the materials and services possessed by companies through collaboration between private companies and civil society organizations (CSOs) when large-scale natural disasters occur within Japan.
Private companies and civil society organizations (CSOs) are members.



Collaboration with external parties

Participation in the Pink Ribbon Program

Since 2015, Gunze has been an official supporter for J.POSH, an NPO certified to promote the Pink Ribbon Program. Gunze also co-sponsors Pink Ribbon-related events held at various places in Japan.

J.POSH®
日本乳がんピンクリボン運動

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Stakeholders Communication

Policy and Basic Approach Goals and Achievements Communication with Stakeholders Initiatives

Policy and Basic Approach

The Gunze Group has upheld the founding principle of “pursuing mutual prosperity with all stakeholders surrounding the company” and has always valued communication with its stakeholders.
Through dialogue with six identified stakeholder groups, we will create social and economic value, contributing to the realization of a sustainable planet and society.

Goals and Achievements

FY2024 results

Category	FY2024 results	Company representatives
For institutional investors and securities analysts	Financial results briefings: Four briefings (hybrid in May and November; online in August and February) Total attendance: 178 companies, 230 participants	• Chairman and Representative Director, Representative Director and President • Director, General Manager of Finance & Accounting Department • Managing Corporate Officer, General and General Manager of Management & Strategy Department • Corporate Officers • Corporate Communication Department, Public & Investor Relations
	Total participants in 1-on-1 meetings: 142 companies, 215 participants (57 in-person, 158 online)	• Representative Director and President • Director, General Manager of Finance & Accounting Department • Managing Corporate Officer, General and General Manager of Management & Strategy Department • Corporate Officers • Corporate Communication Department, Public & Investor Relations
For individual investors	Online distribution of financial briefing transcripts and Q&A: Twice (May and November)	• Corporate Communication Department, Public & Investor Relations

Key dialogue themes

Theme	Details
Direction of the Medium-term Management Plan	• Growth strategies in core businesses • Structural reform of low-ROIC businesses • Financial strategy (shareholder return policies)
Business Environment and Performance	• Sales, profit and performance by segment • Market environment and competitive landscape • New product development for sustainable growth
Capital policy	• Cost of capital and ROE targets • Share buybacks and shareholder return policies
ESG Information Related	• Corporate governance (Board composition, compensation systems) • Human resources strategy, encompassing talent development and diversity

Communication with Stakeholders

Identifying stakeholders and co-creating value

Stakeholder	Co-created value	Means of engagement	FY2024 results
Customers	We are committed to providing excellent products and services and practicing the motto “Happy to Sell, Happy to Buy”. With quality as our first priority, we pursue safety, security, comfort, and satisfaction, and develop products and services that are friendly to the environment and people.	・Customer service office ・Medical department information session	・Customer satisfaction: 90 points (Based on Customer Satisfaction Survey)
Business partners	Beyond just complying with relevant laws and regulations, and the spirit with which they are written, we conduct transactions that are fair and free. We call for a prohibition of discrimination in employment, forced labor, and child labor.	・Apparel trade exhibitions ・Co-hosted seminars (medical) ・Daily sales activities ・Human rights due diligence	・In-house assessments (2 domestic factories, 15 subcontractor factories) ・Supplier assessments (4 key suppliers of Gunze Medical Limited)

Society	We whole-heartedly participate in social and community activities, build friendly relationships with society, and pursue sustainability with communities.	・Initiatives under comprehensive partnership agreements with Osaka Prefecture, Osaka City, and Kyoto Prefecture ・Participation in the Kyoto Model Forest Movement in Ayabe ・Donations via the Gunze Love Earth Club	・Kyoto Model Forest Movement: 4 activities ・Comprehensive partnership initiatives: 18 projects
Employees	We provide equal opportunities without dis- criminating in employment and treatment. We respect the human rights of all people involved in our business activities and do not use forced labor or child labor. We promote skills development that enables diversity among employees who will be the right person in the right position, and nurture human resources who can contribute to society.	・One-on-one meetings ・Training/Seminars ・Mentoring ・Childcare leave support interviews ・General consultation hotline	・Engagement score: 62 points ・Childcare leave utilization rate Women: 87% Men: 78%
Environment	We will contribute to the realization of a sustainable earth and society by actively working to protect the global environment, including biodiversity, and reduce greenhouse gas emissions in all of our business activities, as well as by providing environmentally friendly products and services.	・Dialogue with suppliers to assess Scope 3 emissions ・Resource circulation initiatives centered on the Circular Factory	・CO_2 emissions reduction: 37% ・Scope 3: 393,953 t-CO_2 ・Plastic film HCX sales: approx. 40 tons
Shareholders and investors	We work to enhance corporate credibility through the promotion of sustainability management. We proactively and fairly disclose corporate information and live up to the trust that is placed in us.	・General meetings of shareholders ・Financial results briefings ・Small meetings ・Individual IR meetings ・Plant tours for analysts and institutional investors ・Corporate briefings for individual investors	・Number of IR participants: approx. 460

Initiatives

Dialogues with Shareholders and Investors



Junko Nakashima
Corporate Officer General Manager,
Corporate Communication Department

The Gunze Group regards constructive dialogue with shareholders and investors as a key management priority for the achievement of the sustainable increase of corporate value. In addition to quarterly financial results briefings and individual meetings with institutional investors and securities analysts, we engage with shareholders and investors at small meetings and conferences, providing clear explanations of our business environment, performance and management strategies.

In recent years, we have received an increasing number of questions and comments, not only on financial information but also on non-financial issues, including ESG topics. These range from human capital management and environmental initiatives to respect for human rights throughout the supply chain. We make every effort to explain our views and initiatives thoroughly.

Feedback obtained through this dialogue is regularly reported by the IR Department to senior management and is considered during the formulation and review of management strategies during discussions of the Board of Directors and in other forums.

To thoroughly ensure that information is fairly and transparently disclosed, we continue to enhance our IR website, improve the quality of financial briefing materials, and expand the multilingual content we provide.

Going forward, we will remain committed to sincere, two-way dialogue, increasing the trust with the capital markets while working to increase our corporate value.



1-on-1 meeting with a sell-side analyst



FY2024 financial results briefing
(hybrid format)

Sustainability

Sustainability Message
Gunze's Sustainability
Environment
Social
Governance
ESG Information Related
Participation in Initiatives & External Evaluation
Integrated Report

Sustainability TOP

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Governance

Corporate Governance >

We are strengthening and improving our internal control functions

Compliance >

We strictly adhere to laws and regulations and uphold corporate ethics

Risk Management >

We appropriately manage risks in our corporate activities

Sustainability

Sustainability Message >
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Corporate Governance

Policy and Basic Approach System History of Governance Enhancements

Overview of the conference and committee Outside Executive Roundtable Discussion

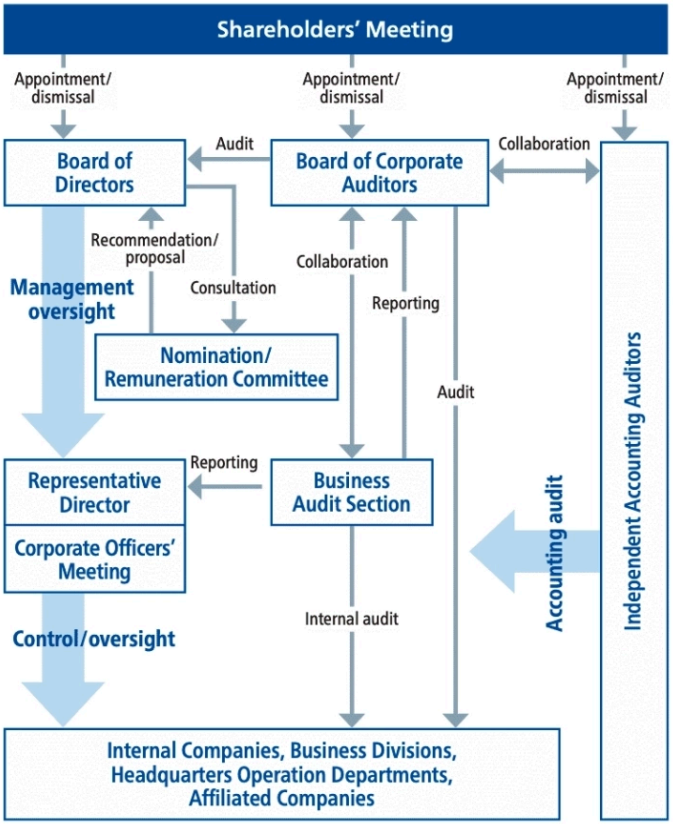
Initiatives regarding cross-shareholdings

Policy and Basic Approach

The Gunze Group recognizes that legal and regulatory compliance is essential for meeting our basic management policy of sustainably boosting corporate value.Accordingly, we strive for swift decision-making and timely and appropriate disclosure of corporate information so that we can respond appropriately to the social and economic environment.
We therefore consider improving shareholder value, by enhancing the transparency of our management, to be one of our most important management objectives. To achieve this, the Gunze Group seeks to build sound relationships with our each stakeholder and strengthen and upgrade our internal control functions as a way to enhance our corporate governance.

System

The Gunze Group is a company with a Board of Corporate Auditors, where the Board of Corporate Auditors comprises four Corporate Auditors, two of whom are outside Corporate Auditors (as of June 25, 2024). The Corporate Auditors attend the Board of Directors and other important meetings, conduct onsite audits of business and management divisions, and inspect domestic and overseas subsidiaries, while performing other duties, in order to fulfill their management supervisory function.
The current management structure comprises nine Directors (of whom two are women), including three outside Directors. Moreover, the Company has introduced a corporate officer system to facilitate accelerated business decisions and to strengthen the business execution system, and has appointed 13 corporate officers, including six who also serve as Directors. To clarify management responsibilities and to establish a management framework that can respond more quickly to changes in the business environment, the term of office for Directors and corporate officers is set at one year.



History of Governance Enhancements

Initiatives to Enhance Corporate Governance

To accelerate business decisions and to strengthen the management supervision function, the Gunze Group introduced a corporate officer system and reduced the number of Directors in FY2005.
Having clarified the management responsibilities of Directors, we revised their term of office in 2006 from two years to one year with the goal of establishing a management framework that can respond more quickly to changes in the business environment.
At the same time, we began appointing outside Directors in an effort to ensure the transparency of management.
In addition, we have striven to enhance our corporate governance by having the Board of Directors make a final decision on nominating candidates for Director positions following History of Governance Enhancements deliberations by the Nomination/Remuneration Committee.
The Nomination/Remuneration Committee was established in FY2019 as an advisory committee to the Board of Directors, comprises the Representative Directors and outside Directors, and is chaired by an outside Director. Moreover, in 2015 we formulated the Gunze Corporate Governance Guidelines as the basic policy for corporate governance by the Gunze Group. We revised these Guidelines in 2021.

History of Governance Enhancements

	Initiative Details
Fiscal 2005	Introduced a corporate officer system and reduced the number of Directors
Fiscal 2006	Reduced the term of office for Directors from two years to one year
	Began appointing outside Directors and female Directors
Fiscal 2015	Formulated the Gunze Corporate Governance Guidelines
Fiscal 2018	Moved to a structure with two female Directors
Fiscal 2019	Established the Nomination/Remuneration Committee (chaired by an outside Director as an advisory committee to the Board of Directors)
	Ratio of outside Directors exceeds one-third of the Board
Fiscal 2021	Published the skill matrix for Directors and Corporate Auditors

Overview of the conference and committee

Board of Directors

As entrusted by the Company's shareholders, the Board of Directors assumes the responsibility for realizing efficient and effective corporate governance for the sake of all shareholders, achieving sustained growth for the Gunze Group as a result of realizing this level of corporate governance, and striving to maximize corporate value in the long term.
To fulfill its responsibilities, the Board of Directors executes oversight functions over overall management practices in order to ensure fairness and transparency.
The Board also nominates, evaluates, and determines remuneration for the President and other executives, while assessing important risks facing the Gunze Group and drawing up counteractions. The Board also makes important operational decisions to ensure the best possible decision-making for the Company.
As a general rule, the Board of Directors meets once per month (held 13 times in FY2024), during which it makes decisions on important matters related to business execution and matters stipulated by laws, regulations, and the Articles of Incorporation. It also supervises the status of the execution of duties by Directors.

Discussions at the Board of Directors

In addition to matters stipulated by laws, regulations, and the Articles of Incorporation, quarterly settlements, the next fiscal year's policies, operating budgets, and other individual matters are discussed as important business matters, and reports and

information from each executive division are shared in a timely and appropriate manner.
Outside Directors and other officers proactively ask questions, raise issues, and hold discussions from a variety of perspectives. During FY2024, particularly vigorous discussions took place regarding the Company's direction from a medium- to long- term perspective, formulation of the Medium-term Management Plan VISION 2030 stage2, and how the Board of Directors should operate.
Additionally, proposals and reports regarding individual matters were made and deliberated on, including the construction of a new building (factory building) in the engineering plastics field, the introduction of surgical support robots in the medical business, structural reforms in the electronic components field, business transfers in the mechatronics field, and structural reforms in the apparel business.

Assessment of Board of Directors' effectiveness

At the Gunze Group, all Directors and Corporate Auditors conduct an annual assessment on the effectiveness of the Board of Directors as well as their own performance as Company officers and submit their results to the Board of Directors. Based on the aggregate results, the Board of Directors analyzes and evaluates its overall effectiveness each year. Since FY2019, the Board of Directors has been conducting self-evaluations and analyses with advice from an external organization. In March 2025, all Directors and Corporate Auditors who comprise the Board of Directors responded to a survey conducted by the Company. As they responded directly to an external organization, they were assured anonymity in their responses.
Based on a report and advice from the external organization on the aggregate results, a report was made to the Board of Directors, and the results were evaluated and discussed. Generally positive evaluations were obtained from the survey in terms of composition, operations, agenda items, execution of individual roles, and mutual supervision, among others. Taking into consideration the changes in the evaluation results following the employment of the external organization and comparisons with the previous year's evaluation and external data, we believe that the effectiveness of the Board of Directors as a whole is ensured with stability.
Going forward, we will implement measures to address the identified issues and continue our efforts to further enhance the effectiveness of the Board of Directors.

FY2024 meeting results

	Times held	Number of agenda items	Number of reports	Attendance (Internal Officers)	Attendance (Outside Officers)
Board of Directors	13	32	53	100%	100%

Main agenda items and reports	Number
Management strategies (including Medium-term Management Plan)	10
Financial results / financial affairs	16
Organization and personnel	15
Governance	11
Individual matters	22
Other	11

Analysis and evaluation process



Issues in FY2024

- Invigorate discussions on management strategies that take into account capital efficiency, etc. (discussions on the medium- to long-term direction of the Company, taking into account that this is the fiscal year in which the next medium-term management plan will be formulated)
- Creation of training opportunities required for Directors and Corporate Auditors (including necessary knowledge regarding roles and responsibilities)

Main matters implemented in FY2024

- Engaged in vigorous discussions at Board and executive meetings on management strategies, with awareness of capital efficiency, in reports and discussions on key issues
- Engaged in vigorous discussions at Board and executive meetings regarding the medium- to long-term direction of the Company, formulation of the Medium-term Management Plan, and how the Board of Directors should operate
- Created training opportunities for Directors and Corporate Auditors, such as Board training sessions providing necessary knowledge regarding their roles and responsibilities and serving as a forum for discussion

Issues for FY2025 and beyond based on effectiveness assessment

- Further invigorate discussions on medium- to long-term management strategies (discussions at Board and executive meetings and Director training sessions)
- Continuous implementation of executive training (acquisition, appropriate updating, and reinforcement of necessary knowledge and skills regarding roles and responsibilities)

Board of Corporate Auditors

In principle, the Board of Corporate Auditors meets regularly prior to meetings of the Board of Directors and also convenes as necessary for extraordinary meetings. It receives reports, deliberates, and makes resolutions on important matters pertaining to audits, in accordance with laws and regulations, the Company's Articles of Incorporation, and the Board of Corporate Auditors Regulations.

FY2024 meeting results

	Times held	Number of agenda items	Number of reports	Attendance (Internal Officers)	Attendance (Outside Officers)
Board of Corporate Auditors	15	20	26	100%	100%

Activities of Corporate Auditors

The main activities of the Audit & Supervisory Board members are as follows. The main activities carried out by the full-time and part-time Audit & Supervisory Board members are marked with a ● or ○.

Activities	umber of times, etc.	Job assignments		
		Full-time	External part-time	Part-time
Attendance, expressing of opinions at Board of Directors' meetings	13 times	●	●	●
Attendance, exchanging of opinions at meetings of outside Directors (reporting sessions on initiatives from head office and business divisions)	9 times	●	●	●
Attendance, expressing of opinions at other important meetings (Executive Committee meetings, budget meetings, business group head meetings, risk management and other committee meetings)	39 times	●		○
Viewing, verification of important documents (approval documents, such as requests for approval, important contracts)	As needed	●		○
Individual meetings and exchanging of opinions with Directors (including one exchange of opinions with outside Directors)	18 times	●	○	○
Individual interviews with corporate officers and senior employees, hearings on business execution status, and exchanges of opinions	99 times	●	○	○
Visits to and surveys of major offices and affiliated companies	28 entities	●	○	○
Attending inventory inspections at major business sites and affiliated companies	3 entities	●		
Investigation, monitoring, and verification of the development and operational status of the internal control system through the above activities, and collection of voluntary inspection forms from departments and offices	Voluntary inspection 44 entities	●	○	○
Cooperation with subsidiary auditors (Group auditors' liaison meetings, individual communications)	Liaison meetings 2 times	●	○	●
Cooperation with internal audit divisions (meetings to confirm audit plans, receive regular reports, etc.)	10 times	●	○	●
Cooperation with independent accounting auditors (meetings relating to audits and reviews, etc.)	12 times	●	○	○

●:Responsibility
○:Partial responsibility

Director and Corporate Auditor Appointments

Regarding the nomination of Director and Corporate Auditor candidates and the appointment of senior management, the Nomination/Remuneration Committee deliberates on each matter based on the selection criteria stipulated by the Board of Directors, after which the Board of Directors makes a final decision. When appointing Directors, given that the Gunze Group operates its functional solutions, medical, apparel, and lifestyle creations businesses in a diversified and global manner, the Board of Directors as a whole must ensure appropriate and prompt decision-making and oversight of execution for these business activities. To achieve this, our fundamental policy is to form a well-balanced Board of Directors consisting of a balanced

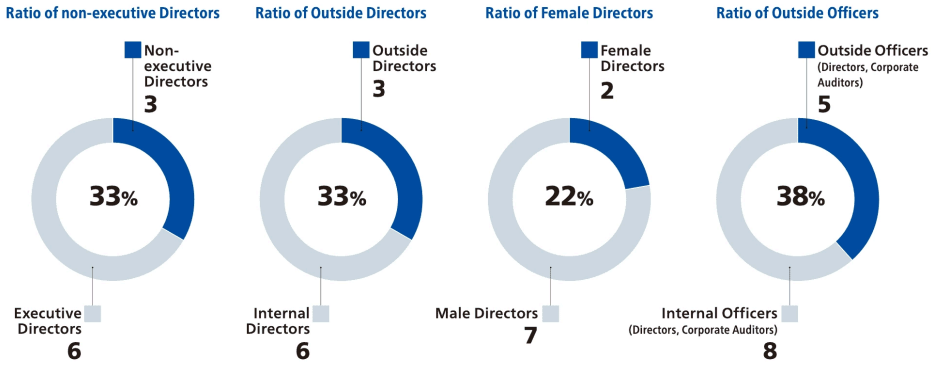
mix of Directors, considering diversity including gender and internationality. This includes Directors appointed from within the Company with knowledge, experience, and skills in each business field, as well as in finance and accounting, technology development and research, sales and marketing, legal affairs, and human resources; and multiple outside Directors who can provide active advice and proposals from a fair and objective standpoint, leveraging their management experience at other companies and their specialized knowledge and experiences from outside the Company. Appointments are decided by the Board of Directors, following deliberation by the Nomination/Remuneration Committee.
When appointing Corporate Auditors, our basic policy is to form the Board of Corporate Auditors with individuals capable of expressing fair opinions from a professional perspective and independent standpoint, including at least one person possessing appropriate expertise in finance and accounting. Appointments are decided by the Board of Directors, following deliberation by the Nomination/Remuneration Committee and with the consent of the Board of Corporate Auditors.
With regard to executive directors, such as Representative Directors, and Corporate Officers who are members of senior management, if the Nomination/Remuneration Committee finds, as a result of its annual review, that their performance meets the criteria for dismissal established by the Board of Directors, the Committee may recommend dismissal to the Board of Directors. If the Board of Directors, after verifying the review results, concludes that the criteria for dismissal are met, the relevant individuals shall not be nominated as Director candidates, and shall be dismissed from their respective positions as Representative Director or Executive Corporate Officer.

Attributes	Name, Posts, etc.	Years of service [Age]	Nomination/ Remuneration Committee member	Inside executives	Outside executives
				Business management experience	Outside management experience
Directors	Male Toshiyasu Saguchi Representative Director & Chairman	12 years [64]	●	●	
	Male Takahiro Oka Representative Director & President	2 years [63]	●	●	
	Independent Male Osamu Kujiraoka Outside Director	7 years [70]	● (Chair)		●
	Independent Female Rie Kida Outside Director	6 years [57]	●		●
	Independent Female Kimiko Funato Outside Director	-- [57]	●		
	Male Hirokazu Sawada Director	3 years [61]			
	Male Tomohisa Okuda Director	2 years [61]		●	
	Male Ryoji Kawanishi Director	5 years [63]		●	
	Male Shojiro Matsuda Director	1 year [57]		●	
Corporate Auditors	Male Tomio Suzuki Standing Corporate Auditor	5 years [62]			
	Independent Male Koji Funatomi Outside Corporate Auditor	3 years [65]			
	Independent Male Norihito Naka Outside Corporate Auditor	3 years [64]			
	Female Hiroko Yoshika Corporate Auditor	1 year [61]			

Attributes	Name, Posts, etc.	Years of service [Age]	Main specialty areas				
			Finance/ Accounting	Production technology/ R&D	Sales/ Marketing	Legal	Inter-nationality
Directors	Male Toshiyasu Saguchi Representative Director & Chairman	12 years [64]			●		
	Male Takahiro Oka Representative Director & President	2 years [63]			●		●
	Independent Male Osamu Kujiraoka Outside Director	7 years [70]			●		
	Independent Female Rie Kida Outside Director	6 years [57]			●		
	Independent Female Kimiko Funato Outside Director	-- [57]				●	
	Male Hirokazu Sawada Director	3 years [61]	●				
	Male Tomohisa Okuda Director	2 years [61]		●			●
	Male Ryoji Kawanishi Director	5 years [63]	●				●
	Male Shojiro Matsuda Director	1 year [57]		●			●
Corporate Auditors	Male Tomio Suzuki Standing Corporate Auditor	5 years [62]	●				●
	Independent Male Koji Funatomi Outside Corporate Auditor	3 years [65]	●				
	Independent Male Norihito Naka Outside Corporate Auditor	3 years [64]				●	
	Female Hiroko Yoshika Corporate Auditor	1 year [61]				●	●

• A circle indicates the main skills possessed by each person. (As of June 25, 2026)

Composition of the Board of Directors



Director and Corporate Auditor Training

Immediately after taking up their posts, newly appointed Directors of the Company, including independent outside Directors, are required to participate in training programs offered by the Director in charge of legal affairs and compliance or external attorneys at law. They are also to be informed about management strategies, financial positions, and other important matters by the President or Director(s) in charge of executing business operations or other executives named by the President.
To fulfill their respective roles, the Directors and Corporate Auditors are required to proactively collect information regarding financial positions, legal and regulatory compliance, corporate governance, and other matters. They must also continuously strive to improve their knowledge and skills. Expenses required for participating in external training and seminars are borne by the Company as claimed.

Nomination/Remuneration Committee

The Company established the Nomination/Remuneration Committee as an advisory body to the Board of Directors. Comprising two Representative Directors and three outside Directors, and chaired by an outside Director, this Committee serves to ensure independence, transparency, and objectivity in decision-making procedures in the nomination of candidates for Director and Corporate Auditor, appointing senior management, and determining remuneration for Directors. In FY2024, the Committee deliberated on the appointment and dismissal of Directors, Corporate Auditors, and Corporate Officers, as well as remuneration for Directors and Corporate Auditors. It also confirmed and exchanged opinions on the state of training/development of senior management candidates, including candidates for Chief Executive Officer (CEO). In FY2022, we revised the executive remuneration system to increase the percentage of performance-linked compensation. After conducting a multifaceted examination, including consideration of the consistency between the content of individual compensation based on the revised system and the decision-making policy, the Committee reported its findings to the Board of Directors.

Nomination/Remuneration Committee Deliberations and decisions

・Appointment and dismissal of Directors and Corporate Auditors (matters to be resolved by the General Meeting of Shareholders), and appointment and dismissal of Corporate Officers
・Appointment and dismissal of Representative Directors and Directors with titles
・Succession planning (including training/development)
・Limits of Director compensation (matters to be resolved by the General Meeting of Shareholders)
・Director compensation, etc. (including individual amounts)
・Other important matters of business management relating to nomination and remuneration

FY2024 Nomination/Remuneration Committee deliberations

・Appointment and dismissal of Directors
・Appointment and dismissal of Representative Directors and Directors with titles
・Appointment and dismissal of Corporate Officers
・Revisions to Director compensation (including reduction measures)
・Director bonuses and stock compensation
・Training/development of senior management candidates

Succession Plan

Under the recognition that the development of a successor for the President is an important matter for management, following deliberations by the Nomination/Remuneration Committee, the Board of Directors formulates a succession plan that specifies qualifications for the post of president and a candidate development policy, and provides final approval for the plan.
The Board of Directors shares this president succession plan among all members of the Board, periodically confirms the development status of senior management with the potential to succeed the President made by the Nomination/Remuneration Committee, and determines a candidate for succeeding the President in accordance with the succession plan when the current President steps down from this post.

Executive Remuneration System

Performance-linked bonuses

Bonuses are paid to Directors as performance-linked bonuses at a fixed time each year.
The performance indicator selected as the basis for calculating the performance-linked bonuses is the Gunze Value Added (GVA) for each fiscal year. The reason for selecting this performance indicator is that it is linked to the Gunze Group's business performance and shareholder interests, and we determined that it is the most appropriate indicator for raising awareness of improving business performance each fiscal year. The amount of the performance-linked bonus is calculated by multiplying each individual executive's monthly remuneration by the executive bonus coefficient established for each position and the performance-linked coefficient corresponding to the increase/decrease in GVA relative to performance forecasts.
The actual GVA for the fiscal year under review was a deficit of 0.9 billion yen (a deficit of 1.6 billion yen in the previous fiscal year).

Performance-linked stock compensation

To raise awareness of the need to improve corporate value over the medium to long term, Directors (excluding outside Directors) are paid restricted stock at a fixed time each year as performance-linked stock compensation.
The performance indicators selected as the basis for calculating the amount of performance-linked stock remuneration are a relative evaluation of Total Shareholders Return (TSR) and TOPIX for each fiscal year, as well as an evaluation based on the degree of achievement of company-wide CO_2 emissions reduction target.
The reason for selecting this performance indicator is that it was judged to be the most appropriate indicator for further promoting the sharing of shareholder value with shareholders, raising awareness of contributions to improving the corporate value of the Gunze Group, and for promoting business activities that reduce the environmental burden.
The TSR growth rate (compared to the end of FY2021) used for payment in the fiscal year under review was 155.41% (TOPIX growth rate: 149.56%), and the company-wide CO_2 emissions reduction rate (compared to FY2013) was 33.0% (target: 27.0%).

Officer Remuneration

Remuneration type	Total amount of remuneration (millions of yen)	Total amount of remuneration by type (millions of yen)			Number of eligible officers
		Fixed compensation	Performance-linked bonuses	Performance-linked stock compensation	
Directors (excluding outside Directors)	138	72	27	38	8
Corporate Auditors (excluding outside Corporate Auditors)	24	24	-	-	2
Outside Directors	21	21	-	-	3
Outside Corporate Auditors	14	14	-	-	2

(Note)
The number of eligible officers includes two outside Corporate Auditors who retired at the conclusion of the Ordinary General Meeting of Shareholders held in June 2024.

KPI of the executive remuneration system

Remuneration type	KPI (performance indicators)
Bonus	・Reflect the GVA for each fiscal year
Stock compensation	・Reflect relative evaluation of TSR (Total Shareholders' Return) and TOPIX for each fiscal year ・Reflect degree of achievement of Company-wide CO_2 reduction goals as ESG evaluation indices

Compensation ratio (%)

	Fixed compensation	Performance-linked bonuses	Performance-linked stock compensation	Total
Representative Director & President	50.0	30.0	20.0	100.0
Directors (excluding outside Directors)	62.0	24.0	14.0	100.0
Corporate Auditors (excluding outside Corporate Auditors)	100.0	-	-	100.0
Outside Directors	100.0	-	-	100.0
Outside Corporate Auditors	100.0	-	-	100.0

(Note)
For Directors, the ratio includes remuneration based on the execution of duties.

Business Execution System

Corporate Officers' meeting

	Times held	Number of agenda items	Attendance
Corporate Officers' Meeting	16	54	99%

Main agenda items	Items submitted for discussion/reported
Business strategy	14
Budgeting and financial reporting	19
Finance	7
Organization and human resources	6
Governance and risk management	3
Medium-term Management Plan	2
Individual projects	3

The Executive Committee was established to deliberate and decide on important matters relating to management control and business execution across the entire Gunze Group, based on the fundamental management policies determined by the Board of Directors.
It also serves to deliberate and decide on the comprehensive coordination of departmental activities and particularly important individual controls. Its members consist of the President and Directors or Corporate Officers who oversee and are responsible for each functional department and business segment.
In FY2024, the Committee met 16 times and discussed and decided upon 54 proposals (FY2023: 17 times, 56 proposals).

Business group head meetings

	Number of reports	Attendance (Internal Officers)
Business group head meetings	12	100%

Business group head meetings aim to ensure efficient execution of business within the Gunze Group and achieve business management objectives. Discussions focus on three key areas:

(1) thorough dissemination of management policies and important matters,
(2) strengthening the operational framework for management participation and internal controls, and
(3) efficient execution of business through coordination and control of business group operations.

In addition to submitting monthly reports in the prescribed format, in-person meetings are held at least quarterly with the President, Directors and/or Corporate Officers who oversee and are responsible for each functional department and business segment, as well as the functional department heads and business group heads. In January of each year, the responsible departments explain their annual business policy and budget formulation guidelines to ensure thorough understanding. In other months, each business division reports on the latest status of its business management, future outlook, and important operational matters, enabling progress management toward achieving business goals.

Executive meetings

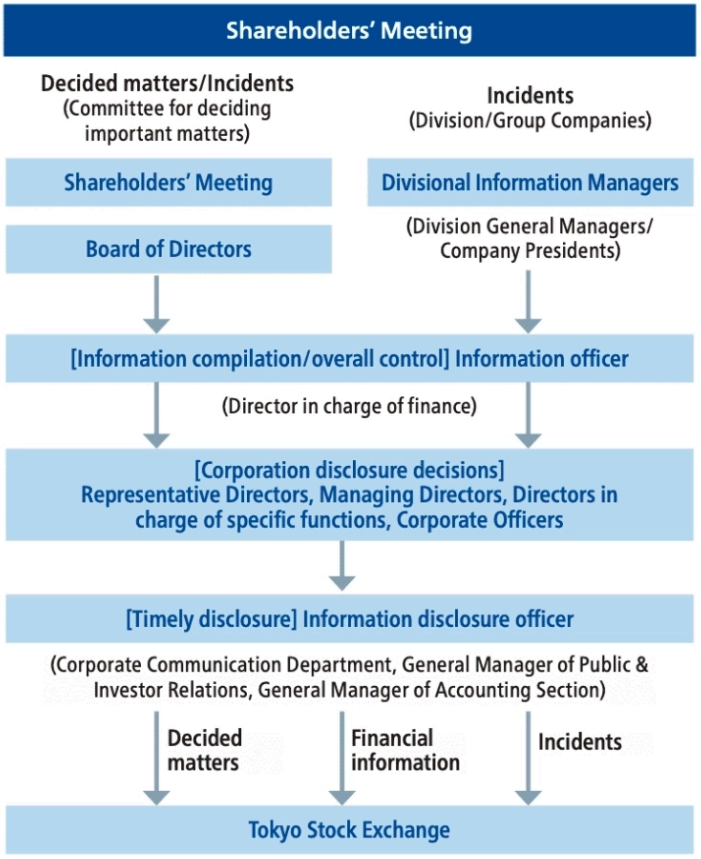
	Times held	Number of agenda items	Attendance
Executive meetings	8	10	90%

Cases	Number of themes
Management policy and Medium-term Management Plan	4
Reports on current status and key initiatives of each business unit	2
Reports on current status and key initiatives of each functional department	2
Status of efforts to address individual issues	2

Executive meetings provide an opportunity for outside Directors and Corporate Auditors to actively exchange opinions on issues they face at any time, thereby deepening their understanding of the business.
Meetings cover topics such as the Medium-term Management Plan, the current status and key initiatives of each business and functional department, and the state of company-wide efforts to address social issues.
In FY2024, eight meetings were held, with Q&A sessions and discussions on ten themes.

Internal Systems Concerning Timely-Disclosure of Corporate Information

Important facts decided or occurring in each division are centrally collected by the Information Officer without delay. With regard to “decided matters” and “financial information,” the Information Officer discusses the need for disclosure with the relevant parties and then discloses them at the time a resolution is made by the body that actually decides on the execution of the Company’s operations, such as a General Meeting of Shareholders or by resolution of the Board of Directors. With regard to “incidents,” the Information Officer promptly discusses them with management, including the top management, as soon as he or she becomes aware of their occurrence and puts in place a system for their timely and appropriate disclosure.
In the case of important company information, the disclosure of which has been decided, the information officer will immediately issue instructions to the information disclosure officer, who will process disclosures in a timely and appropriate manner in accordance with the Timely Disclosure Rules and the Guidebook for the Timely Disclosure of Corporate Information.



Outside Executive Roundtable Discussion


For the Gunze Group to Survive in a Rapidly Changing Environment

Osamu Kujiraoka Outside Director
Hiroe Nakai Outside Director
Rie Kida Outside Director

What is your evaluation of the pivotal strategies of the previous Medium-term Management Plan, VISION 2030 stage1 ("stage1"). What are your views on future challenges?

Management focused on the cost of capital

The evolution of our corporate culture

The creation of new value

The period of the new Medium-term Management Plan VISION 2030 stage2 ("stage2") is defined as a three-year period for transforming the Company. What was discussed during the development of this theme?
What are the key factors that will enable the Company to achieve the objectives of the plan?

The top priority is the development of an organizational culture that encourages diverse talent to maintain their desire to grow personally.

Initiatives regarding cross-shareholdings

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Compliance

Policy and Basic Approach Goals and Achievements System Initiatives

Education and Awareness Activities Establishing the Tax Policy

Policy and Basic Approach

The Gunze Group places its founding principle “Based on respect for humanity and the production of high-quality goods, we strive for coexistence and mutual prosperity with all stakeholders surrounding the company” at the core of its compliance efforts.

We have established the “Gunze Group Activity Guidelines,” which clearly and specifically outlines the rules employees must follow, promoting understanding among Group employees and ensuring thorough awareness of these rules.

GUNZE ACTIVITY GUIDELINES >

Goals and Achievements

For the number of reports and consultations received by the internal “Advice Hotline” and the reporting hotline staffed by attorneys, please refer to the following page.

More details >

System

Our internal whistleblower “Advice Hotline” provides consultations regarding compliance and other issues and works to resolve them while taking into consideration the privacy of those involved.

Having also established an external whistleblower hotline staffed by outside attorneys, we have secured a route for attorneys to report directly to corporate auditors in the event of a report that falls under the category of public interest whistleblowing.

Initiatives

The Gunze Group has created an internal Advice Hotline designed to quickly identify the causes of industrial accidents, misconduct, harassment, and other compliance violations and respond appropriately. The Group has also established an external whistleblower hotline that is staffed by outside attorneys. To communicate the Group's basic compliance policy throughout the Group, we publish messages from top management on the intranet and by displaying posters. We have revised our internal regulations to inform all employees about the availability of hotlines and encourage its use.

In FY2022, we began holding hybrid training programs for new employees consisting of e-learning and in-person training conducted by lecturers from Legal & Compliance. In addition to sharing Gunze's sense of ethics, we now hold follow-up training with the aim of deepening understanding of insider trading regulations and of cautionary points regarding social media use, which is essential knowledge regardless of department or area of responsibility. To coincide with the enforcement of the Amendments to the Act for Eliminating Discrimination against Persons with Disabilities, we also conducted training on the appropriate considerations that the Gunze Group should take, so that all customers who use Group-operated stores and facilities can continue to use them with peace of mind.

A large number of technical trainees are working within the apparel business. More than 90% of these trainees are from Vietnam or Indonesia. In consideration of this, we established consultation desks where these trainees can receive assistance in Vietnamese and Indonesian in FY2024. To resolve problems, these consultation desks promptly and fairly investigate reports submitted by trainees and ensure the privacy of the trainees. We are translating the employment regulations for technical trainees to ensure they can work with peace of mind. Some plants already have the Vietnamese-language version of the employment regulations.



Education and Awareness Activities

Lectures provided by members of the Intellectual Property/Legal Department during in-house training programs



The Intellectual Property/Legal Department provides training regarding laws, including the Subcontractor Payment Act, Anti-monopoly Act, Act against Unjustifiable Premiums and Misleading Representations, New Freelance Act, and Product Liability Act. It also provides training on how to read patent documents and key considerations when filing patent applications. Guided by the mottos "Everyone is an instructor" and "Leaning by teaching," department members who aspire to

become experts in their fields lead these training programs as instructors. Employees can participate in training either in-person or remotely. If they are unable to attend training due to work commitments, they can watch training videos available on the intranet. In FY2024, a total of 582 employees participated in the Intellectual Property/Legal Department's training programs.

Establishing the Tax Policy

Gunze Group Tax Policy

The Gunze Group contributes to society by intertwining the founding principles of "respect for humanity," "production of quality goods," and "mutual prosperity" as the warp. We respond flexibly and sincerely to societal expectations by practicing our corporate philosophy as the weft.
The Gunze Group conducts business activities in various countries and regions. Therefore, our fundamental policy is to comply with applicable tax laws and international tax rules in each country and region, ensuring proper tax payment. We will contribute to the development of each country and region while fulfilling our social responsibilities.

1. Tax Compliance
The Gunze Group has "Gunze Activity Guidelines", which states that we at Gunze endeavor to contribute to society through its corporate activities and to fulfill its responsibility as a corporate citizen and that we determined to promote activities in conformance with fair and internationally accepted rules.
We comply with the law and have high ethical standards, and will not condone antisocial or illegal behavior.
We do not plan into tax avoidance structures outside of our normal business operations.

2. Shareholder engagement
To optimize tax expense and improve shareholder value, we aim to consider and implement effective tax planning such as preventing double taxation and utilizing tax incentives in line with the substantive business operations.

3. Transfer Pricing
Our group conducts transactions with foreign affiliates in accordance with the OECD Transfer Pricing Guidelines. We apply arm's length pricing based on each country's transfer pricing regulations and strive for appropriate income allocation. We also prepare transfer pricing documentation according to each country's regulations.

4. Relationship with tax authorities
The Gunze Group strives to have healthy relationships with tax authorities by providing information timely and appropriately in response to requests from tax authorities.
In the event that we receive instructions from tax authorities, we will clarify the cause of such issues, take appropriate corrective measures and strive to prevent recurrence.

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Risk Management

Policy and Basic Approach Risk Management Initiatives Data Security and Privacy Business Continuity Management

Policy and Basic Approach

Strengthening the risk management system

The Gunze Group has established a Risk Management Committee to prevent risks in general and respond appropriately to unforeseen situations and contingencies.
With the goal of eliminating industrial accidents, misconduct, and all forms of harassment, we are identifying specific risks and working on measures to minimize them.

Goals and Achievements

	Number of Risk Management Committee Meetings Held
FY2024	6
FY2023	4
FY2022	4

System

The Risk Management Committee deliberates and reviews matters concerning risk prevention, responses to risks that have occurred, and measures to prevent recurrence, based on regulations governing risk management.
This committee consists of the Compliance Officer and department heads.

Sustainability promotion structure >

Risk Management Initiatives

The Risk Management Committee met six times in FY2024, during which it received monitoring result reports from the main departments designated to take charge of each of these risks, verified the execution status of countermeasures, and discussed and determined future action.
These initiatives are reported to the Board of Directors, which issues instructions as necessary to ensure the effectiveness of internal controls.
Since FY2022, relevant functional departments have collaborated to conduct on-site audits at factories and business sites to prevent misconduct.
The Risk Management Committee also regularly shares audit results to drive further improvements. We are also working to strengthen our support system, taking into account the risks faced by employees posted overseas.
In light of the succession of large-scale disasters and conflicts occurring both domestically and internationally in recent years, we are strengthening our response framework by developing and reviewing internal regulations to enable swift and appropriate action during emergencies.

In FY2023, we placed particular emphasis on providing a safe working environment for employees, and with the eradication of industrial accidents in mind proceeded with earthquake resistance inspections of each business location and the demolition of aging facilities.
As a responsibility of a manufacturer and seller of products, we must not only avoid any violations of the Act against Unjustifiable Premiums and Misleading Representations or the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (the Pharmaceutical and Medical Device Act) but also the risk of causing inconvenience to customers through inappropriate language in products or advertisements.
In accordance with the increasing number of opportunities to provide apparel products by online sales in particular, it is becoming increasingly important to use labels and expressions that are appropriate for as many people as possible.
We are working to minimize risk by having staff from multiple departments use an in-house database to check the labeling and expressions of products delivered to customers in advance and by conducting in-house training.

The Risk Management Committee in fiscal 2022, during which it received monitoring result reports from the main departments designed to take charge of each of these risks, verified the execution status of countermeasures, and discussed and determined future action.
In regard to the risks of row material price fluctuations and supply disruptions due to charges in international relations, the Risk Management Committee collects information on and ascertains the risks faced by each business division, after which the head office and business division work in unison on risk management efforts.
Moreover, a risk has emerged regarding social credibility loss due to the increasing numbers of violations of the Act against Unjustifiable Premiums and Misleading Representations and of the Pharmaceutical and Medical Device Act, as well as to the increasing frequency of inappropriate expressions, resulting from the apparel business's efforts to promote greater sales through e-commerce channels.
In regard to this risk, the Risk Management Committee will engage in activities that mitigate such risks across business divisions and that increase corporate value on an ongoing basis, namely through training organized by Legal & Compliance and through internal database inspections conducted by representatives from multiple divisions, for example.

Data Security and Privacy

We will enhance security measures and competitiveness through strengthened governance and risk management tailored to the digital transformation era.

Security Policy

In FY2006 the Gunze Group established an IT Security Policy, and has since engaged in systematic efforts to understand the risk status of the entire Group based on its organizational structure, formulate basic policies, conduct regular diagnostics and monitoring, respond to incidents, and improve security awareness.

IT Security Policy Overview

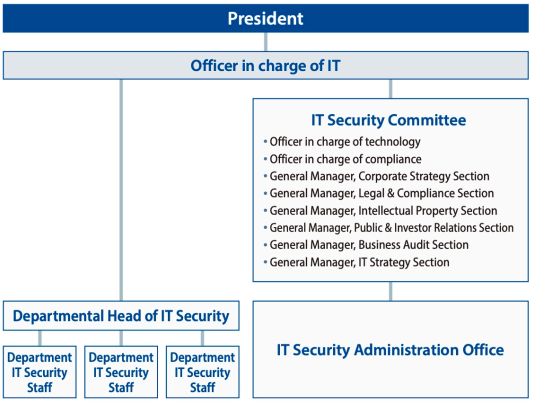
	Content
1. Basic Principles	This policy outlines fundamental matters, including ensuring the appropriateness, effectiveness, and efficiency of operations through information security regarding the use and protection of all

	information assets, and that this policy applies to all officers and employees.
2. Organizational Structure	Outlines the organizational structure headed by the President and the operational framework centered on the IT Officer, along with their respective responsibilities
3. Responsibilities of Officers and Employees	Compliance requirements for maintaining and enhancing IT information security, and handling of information assets
4. Legal Compliance	Compliance with relevant laws and regulations (Personal Information Protection Act, Unauthorized Access Prohibition Act, Copyright Act, etc.) and norms
5. Response to Incidents	In the event of an incident, an incident response team commensurate with the impact level shall be established and activated. Additionally, the incident response policy shall include collaborating with relevant departments to ensure timely and appropriate external disclosure, as well as reporting to authorities in each country and region.
6. Response to Violations	Disciplinary actions for violations by officers and employees of the provisions set forth in these regulations and related documents

System

The Gunze Group has established an IT Security Committee, chaired by an IT officer appointed by management, as an organization to promote security countermeasure activities.
This Committee as part of our system to promote cybersecurity, keep track of security-related situations, formulate countermeasure standards, maintain a management system, and deliberate and decide on necessary measures.
In addition, we have established an IT Security Administration Office to implement and supervise the measures decided by the Committee, and instruct and follow up with security officers and personnel in charge of each department on the status of security measures.

IT Security Operations Organizational Chart



Initiatives

1.Education and Awareness

As part of our education and awareness activities, we regularly distribute critical information security updates to employees.
We also conduct security training to assess understanding and review knowledge, working to enhance employees' information literacy.
We continuously provide education and training to employees on the proper management and utilization of information assets, striving to raise information security awareness throughout the entire organization.

2.Security Measures

We implement appropriate measures to prevent unauthorized access to systems, information leaks, tampering, loss/theft, destruction, and disruption of use, ensuring stable operation of information systems.
Specifically, we regularly review countermeasures against increasingly sophisticated server attacks. We also appropriately manage information systems and networks essential to business activities to ensure their continuous availability.
In the event of an information security incident, we collaborate with relevant departments and external agencies to prevent further damage, investigate the cause, and prevent recurrence.

Business Continuity Management

The Gunze Group aims to establish a business continuity management system to prepare for various risks that could disrupt business continuity, such as major earthquakes, floods, accidents, and the spread of infectious diseases. Our priority is human life; we strive to swiftly restore operations and fulfill our supply responsibilities.

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Sustainability Website Archive >

PDF versions of Gunze's sustainability site

Policy & Guideline List >

Gunze Group policies, guidelines, and related documents

ESG Performance Data >

Data concerning E (Environment), S (Social), and G (Governance)

Third-Party Verification >

To ensure the accuracy of the data, we obtain independent Third-Party Verification

Editing Policy >

We strive for comprehensive and easy-to-understand disclosure, focusing on sustainability

Sustainability

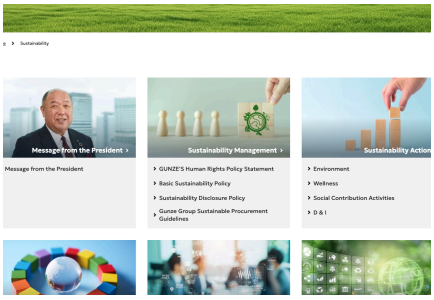
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Sustainability Website Archive

The PDF version of the Gunze Sustainability Website as of November each year is available here.
Please note that the Sustainability Website is updated regularly.



Gunze's Sustainability Website 2025

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Guidelines

Policies and Guidelines

List of Gunze Group Policies and Guidelines.

Items	Policies and Guidelines
Activity Guidelines	Gunze Group Activity Guidelines Basic Sustainability Policy
Environment	Gunze Group Environmental Charter Basic Policy for Plastic Resource Circulation
Social	Gunze Human Right Policy Gunze Group Supplier Code of Conduct Sustainable Procurement Guidelines Product Safety Basic Policy Guidelines on Transparency in Relationships with Medical Institutions and Other Entities Partnership Building Declaration Health and Productivity Management Initiatives
Governance	Gunze Corporate Governance Guidelines Basic Date Security Policy Gunze Group Tax Policy Privacy Policy Basic Information Disclosure Policy Dividend Policy Social Media Policy

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ESG Performance Data

Environment Society Governance Management system certification

Environment

Environment（Gunze Group）

	Scope		Period	FY2021	FY2022	FY2023	FY2024	FY2025	Unit
CO_2 emissions	Japan +overseas	Scope1	Fiscal year	38,979	38,643	34,732	31,056	28,547	t -CO_2
		Scope2 (Market-based)	Fiscal year	85,177	79,681	80,785	77,400	70,364	
		Scope2 (Location-based)	Fiscal year	—	—	—	74,392	72,786	
	Japan	Scope3	Fiscal year	411,434	423,860	390,856	395,637	382,151	
Total waste generated	Japan		Fiscal year	6,787	7,553	6,713	7,311	6,540	t
	Overseas		Fiscal year	2,093	1,741	1,218	1,220	1,418	
Energy consumption	Japan		Fiscal year	46,674	46,389	43,445	40,186	38,289	Kl (Crude oil equivalent)
	Overseas		Fiscal year	20,399	17,802	15,821	12,767	12,948	
Water pollutants：BOD	Japan		Fiscal year	3.2	3.7	3.0	3.9	4.2	t
	Overseas		Fiscal year	0.2	0.6	0.4	0.4	0.4	
Water pollutants：COD	Japan		Fiscal year	17.5	15.1	14.7	15.3	12.4	t
	Overseas		Fiscal year	3.0	4.7	3.7	3.8	9.5	

List of Solar Power Generation Facilities by Business Location

Business location	Annual electricity generation (MWh/ Year)	CO_2 emissions reduction (t-CO_2/ Year)	Operational Start Date
Plastic Film Company Moriyama Factory (New building)	1,214	405	January 2023
Engineering Plastics Division Konan Factory (Office building)	105	40	February 2023
Engineering Plastics Division Konan Factory (6th building)	238	90	February 2023
Ayabe Engineering Plastics	554	194	September 2023
Medical Division (Packaging Building)	77	34	September 2024
Medical Division (Office building, 3rd factory)	234	102	April 2025
Engineering Plastics Division Konan Factory (7th building)	388	150	April 2025

Expansion of Solar Power FIT Projects

Business location	Annual electricity generation (MWh/ Year)	CO_2 emissions reduction (t-CO_2/ Year)	Operational Start Date
Fukushima Plastics	2,400	1,300	January 2014
Konan Factory	320	170	October 2014
Utsunomiya Distribution	1,600	850	November 2013

In the FIT project in Fukushima, Utsunomiya, and Konan,
we generate revenue from selling the electricity produced and obtain non-fossil certificates with environmental value tracking.
We are implementing CO_2 reduction through the use of renewable energy from our solar power generation.

Society

Employees

		Scope	Period	FY2021	FY2022	FY2023	FY2024	FY2025	Unit
Number of employees	Total	Gunze Group	Fiscal year	5,692	5,214	4,883	4,339	4,102	People
	Total	Gunze Limited		1,662	1,553	1,449	1,401	1,299	People
	Male			1,111	1,027	958	904	841	
	Female			551	526	491	497	458	
Ratio of women in managerial positions	Supervisors higher than section manager	Gunze Limited	Fiscal year ※As of April 1	3.1	5.1	7.0	6.0	13.1	%
Number of employees hired on a main career track	Total	Gunze Limited	Fiscal year	26	25	27	31	31	People
	Male			15	13	13	15	17	
	Female			11	12	14	16	14	
Job turnover		Gunze Limited full time employee	Fiscal year	12		8	8	18.6	%
Employment rate of people with disabilities		Gunze Limited	Fiscal year ※As of March 20	2.07	2.2	2.46	2.77	2.83	%
Average age		Gunze Limited	Fiscal year	43.7	43.3	43.5	43.5	42.8	Age
Average tenure		Gunze Limited	Fiscal year	20.2	19.7	20.0	19.9	19.1	Year
Reemployment rate after Retirement		Gunze Limited	Fiscal year	72	75.6	72.2	60	94	%
Average number of days of annual leave taken		Gunze Limited	Fiscal year	12.8	14.1	14.9	14.5	15.8	Day
Average overtime hours		Gunze Limited	Fiscal year	5.24	6.51	6.63	6.61	6.5	Hour
Applicants for childcare leave		Gunze Limited	Fiscal year	14	17	20	20	17	People

Applicants for short working hours for childcare	Gunze Limited	Fiscal year	53	52	59	64	58	People
Rate of men taking childcare leave	Gunze Limited	Fiscal year	5	36	42	78	86	%
Applicants for child nursing leave	Gunze Limited	Fiscal year	12	15	16	19	25	People
Applicants for family care leave	Gunze Limited	Fiscal year	3	2	1	1	5	People
Applicants for short working hours for family care	Gunze Limited	Fiscal year	2	4	4	2	1	People
Applicants for nursing leave	Gunze Limited	Fiscal year	3	8	3	6	7	People
Occupational accident data	Gunze Group	Fiscal year	37	32	31	34	34	Number
(Of the above, accidents that require time off from work)	Gunze Group	Fiscal year	12	13	13	11	15	Number
Lost-Time Injury Frequency Rate	Gunze Group	Fiscal year	0.26	2.07	2.06	1.15	0.9	%
Training and education expenses	Gunze Limited	Fiscal year	44,270	55,431	53,254	58,909	55,620	Yen/Person
Training hours per person	Gunze Limited	Fiscal year	7.0	7.0	7.2	8.3	8.5	Hour/Person

Employee Consultation Hotline

Cases	FY2021		FY2022		FY2023		FY2024		FY2025	
	Hotline	External reporting Desk	Hotline	External reporting Desk	Hotline	External reporting Desk	Hotline	External reporting Desk	Hotline	External reporting Desk
Workplace relationships	7	0	6	0	4	0	3	2	4	3
Sexual harassment	0	0	1	0	2	0	0	0	0	1
Power harassment	3	1	7	1	4	0	3	2	4	2
Facts subject to whistleblowing	0	0	0	0	1	0	0	1	0	0
Others	4	0	4	0	7	0	7	3	9	2

Governance

Governance

	Scope	Period	FY2021	FY2022	FY2023	FY2024	FY2025	Unit
Directors	Gunze Limited	Fiscal year	8	9	9	9	9	People
Outside directors	Gunze Limited	Fiscal year	3	3	3	3	3	People
Female directors	Gunze Limited	Fiscal year	2	2	2	2	2	People
Ratio of female directors	Gunze Limited	Fiscal year	25	22	22	22	22	%
R&D expenses	Gunze Limited	Fiscal year	2,576	2,501	2,471	2,445	2,576	Million yen

Management system certification

ISO14001 (Environmental Management System)

Registered Business	Number of domestic locations	Location	Registration number	Certification Body
Moriyama Business Location	3	Moriyama Factory Research & Development Department (Shiga) Ozu Manufacturing Center Co., Ltd.	E1626	ASR Co.,Ltd.
Gunze Kobunshi Corporation	1	Gunze Kobunshi Corporation	JQA-EM2660	Japan Quality Assurance Organization (JQA)
Gunze Packaging Systems Co., Ltd.	1	Gunze Packaging Systems Co., Ltd. Moriyama Factory	E2149	ASR Co.,Ltd.
Fukushima Plastics Co., Ltd.	2	Fukushima Plastics Co., Ltd. Fukushima Gravure Co., Ltd.	E1819	ASR Co.,Ltd.
Engineering Plastics Division Konan Factory	2	Konan Factory Ayabe Engineering Plastics Co., Ltd.	E1941	ASR Co.,Ltd.
Threads & Accessories Division Tsuyama Factory	1	Tsuyama Factory	JQA-EM1690	Japan Quality Assurance Organization (JQA)

ISO9001(Quality Management System)

Registered Business	Number of domestic locations	Location	Registration number	Certification Body
Moriyama Business Location	2	Plastic Film Company Moriyama Factory Ozu Manufacturing Center Co., Ltd.	Q3631	ASR Co.,Ltd.
Gunze Kobunshi Corporation	1	Gunze Kobunshi Corporation	JQA-1311	Japan Quality Assurance Organization (JQA)
Gunze Packaging Systems Co., Ltd.	2	Gunze Packaging Systems Co., Ltd. Fukushima Gravure Co., Ltd.	Q4666	ASR Co.,Ltd.
Engineering Plastics Division	2	Engineering Plastics Division Konan Factory Ayabe Engineering Plastics Co., Ltd.	Q4247	ASR Co.,Ltd.
Mechatronics Division	1	Mechatronics Division	JQA-QMA11805	Japan Quality Assurance Organization (JQA)
Medical Division	1	Medical Division Ayabe Factory	Q5 037774 0052 Rev. 04	TÜV SÜD Japan Ltd.
Threads & Accessories Division	1	Threads & Accessories Division Tsuyama Factory	JQA-QM4307	Japan Quality Assurance Organization (JQA)

Gunze Sustainability Data Book (PDF:921KB/10 pp.)

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Third-Party Verification

Third-Party Verification（environment）

To enhance the accuracy and reliability of its disclosed data, the Gunze Group obtains independent third-party verification for selected environmental data.
The verification results confirmed no material non-conformities with the Company's reporting rules or material inaccuracies in the reported data.
Going forward, we will continue to expand the scope of verified data and further enhance the transparency and reliability of our disclosures.

JQA

No.1811005213

Greenhouse Gas Emissions Verification Report

To: GUNZE LIMITED

1. Objective and Scope

Japan Quality Assurance Organization (hereafter "JQA") was engaged by GUNZE LIMITED (hereafter "the Company") to provide an independent verification on "GHG Emissions Calculation report for Scope 1 and 2" and "GHG Emissions Calculation report for Scope 3" (hereafter" the Reports"). The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the FY2024* GHG emissions in the Reports was correctly measured and calculated, in accordance with the "GHG emissions Calculation Rule of Scope 1 and 2" and "GHG emissions Calculation Rule of Scope 3" developed by the Company (hereafter, "the Rules"). The purpose of the verification is to evaluate the Reports objectively and to enhance the credibility for calculation of Scope 1, 2 & 3 GHG emissions in the Reports.
*The fiscal year 2024 of the Company ended on March 31, 2025.

2. Procedures Performed

JQA conducted verification in accordance with "ISO 14064-3". The scope of this verification assignment covers GHG emissions from Scope 1 & 2 (energy-derived CO2 emissions), and Scope 3 (4 categories, Category 1, 4, 5, 12). The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent of total emissions in the Reports. The organizational boundaries of this verification include totally 54 domestic and international companies (101 sites) of the Company and affiliated companies for Scope 1 and 2; as well as its 38 domestic companies including the Company and affiliated companies for Scope 3.
Our verification procedures included:

- Confirming the integrated functions to confirm the Rules prior to the Site Visit.
- Holding on-site verification for Scope 1 & 2 GHG emissions at the 4 domestic sites, to check the Report boundaries, GHG emission sources, monitoring points, monitoring and calculation system, activity data and GHG emissions data.
- Holding on-site verification for Scope 3 GHG emissions on the basis of sampling at the 3 domestic companies, to check the Report boundaries, calculation scenario and allocation method, monitoring and calculation system, and GHG emissions data against evidence.
- The sampling sites for on-site assessment were selected by the Company.

3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the statement of the information regarding GHG emissions from Scope 1, 2 & 3 in the Reports is not materially correct or has not been prepared in accordance with the Rules.

4. Consideration

The Company was responsible for preparing the Reports, and JQA's responsibility was to conduct verification of GHG emissions from Scope 1, 2 & 3 in the Reports only. There is no conflict of interest between the Company and JQA.

Sumio Asada, Executive Board Director
For and on behalf of Japan Quality Assurance Organization
1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan
March 24, 2026

GHG Emissions Verification Report (PDF:934KB)

Environmental Data (Actual CO2 Emissions)

Response to Climate Change

CO2 Emissions (Scope1 and 2) [Unit: t-CO2]

Target	Reduce CO2 emissions by at least 35% by 2030 compared to fiscal year 2013 levels			
	FY2013	FY2023	FY2024	FY2025
Scope1	52,313	34,732	31,056 ☑	28,547
Scope2 (Market-based)	120,196	80,785	77,400 ☑	70,364
Scope2 (Location-based)	-	-	74,392	72,786
Absolute emissions reduction rate compared to FY2013 (%)	-	▲33.0%	▲37.2%	▲42.7%

*Scope: All Gunze Group consolidated

CO2 Emissions (Scope3) [Unit: t-CO2]

Target	Under consideration			
		FY2023	FY2024	FY2025
Scope3		390,856	395,637	382,151
Category				
1. Purchased goods and services		228,775	233,836 ☑	221,923
2. Capital goods		28,185	22,250	35,291
3. Fuel and energy related activities		14,992	14,838	13,875
4. Upstream transportation and distribution		10,830	10,821 ☑	10,521
5. Waste generated in operations		2,720	3,908 ☑	3,497
6. Business travel		398	425	321
7. Employee commuting		1,189	1,279	941
8. Upstream leased assets (not relevant)		-	-	-
9. Downstream transportation and distribution (included in Category 4 upstream transportation and distribution)		-	-	-
10. Processing of sold products (not relevant)		-	-	-
11. Use of sold products		10,634	12,504	12,614
12. End-of-life treatment of sold products		93,133	95,774 ☑	83,169
13. Downstream leased assets (not relevant)		-	-	-
14. Franchises (not relevant)		-	-	-
15. Investments (not relevant)		-	-	-

*Scope: Domestic business locations within the Gunze Group consolidated
*Third-party verification for Scope3 will be conducted for Categories 1, 4, 5, and 12, which cover more than 80% of the total.

Third-Party Verification:
Starting with the fiscal year ending March 2025, we have been conducting third-party verification; data marked with a ☑ has been verified by an external organization.

CO_2 Emissions Performance Data (Including Third-Party Verified Data) (PDF:201KB)

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Editing Policy

The Gunze Group comprehensively and clearly discloses information on its sustainability initiatives and sustainability data through its Sustainability webpage, building trust with all stakeholders.
Furthermore, since fiscal 2018, we have been publishing the "GUNZE Integrated Report," focusing on financial and non-financial information, to help stakeholders understand our medium- to long-term growth strategy.

Reporting Period

Unless otherwise specified, the reporting period covers April 2024 to March 2025.
However, some activities and initiatives include those from prior periods as well as recent ones.

Scope of Organizations Covered in the Report

The scope of the report covers the consolidated group, including Gunze Ltd. and its domestic and international affiliates.
However, some information pertains solely to the parent company or domestic affiliates. In such cases, the scope is clearly stated for each piece of information.

Guidelines Referenced

Ministry of Economy, Trade and Industry "Value Co-creation Guidance"
GRI Standards (Japanese Edition)
IFRS Foundation "International Integrated Reporting Framework"
Task Force on Climate-related Financial Disclosures "TCFD Recommendations"
Ministry of the Environment "Environmental Reporting Guidelines 2018 Edition"

Information Disclosure

Integrated Report

We explain its efforts to build a sustainable business foundation while cherishing the values unchanged since its founding, aiming to be a company consistently chosen globally. We illustrated through concrete stories based on its value creation process through this integrated report.

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Initiative

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Through participation and evaluation, we aim for sustainable growth together with society

GRI Standards Comparison Table >

We disclose information based on the GRI Standards Comparison Table

ISO26000 Comparison Table >

We disclose information based on the ISO 26000 Comparison Table

TCFD Comparison Table >

We disclose information based on the TCFD Comparison Table

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Participation in Initiative

Initiatives Involved External Evaluations

Participation in Initiative

The UN Global Compact

WE SUPPORT

UN GLOBAL COMPACT

GUNZE Limited Signs the UN Global Compact

The UN Global Compact is a global framework that encourages companies and organizations to take responsible and creative leadership and to act as good members of society toward attaining sustainable growth.
GUNZE signs the UN Global Compact to meet the needs and expectations in changing society. GUNZE also abides by the ten principles related to human rights, labour, the environment and anti-corruption and strengthen measures to establish a sustainable society through its business operations.

Certificate of Joining the UN Global Compact



This Certificate of Joining
the Global Compact Network Japan
is given to

グンゼ株式会社

貴社・貴団体は、最高責任者が国連グローバル・コンパクトへの参加意思を表明し、
GC署名者およびグローバル・コンパクト・ネットワーク・ジャパンの会員であることを証します

人権
1. 企業は、国際的に宣言されている人権の保護を支持、尊重し、
2. 自らが人権侵害に加担しないよう確保すべきである

労働
3. 企業は、結社の自由と団体交渉の実効的な承認を支持し、
4. あらゆる形態の強制労働の撤廃を支持し、
5. 児童労働の実効的な廃止を支持し、
6. 雇用と職業における差別の撤廃を支持すべきである

環境
7. 企業は、環境上の課題に対する予防原則的アプローチを支持し、
8. 環境に関するより大きな責任を率先して引き受け、
9. 環境にやさしい技術の開発と普及を奨励すべきである

腐敗防止
10. 企業は、強要と贈収賄を含むあらゆる形態の腐敗の防止に取り組むべきである

国連グローバル・コンパクト署名
2020年2月



TCFD Consortium

The TCFD Consortium was established in Japan on May 27,2019 which is a platform for promoting the responsible disclosure of climate-related financial information by businesses and the use of this information in the investment decisions of financial institutions.

External Evaluations

CDP

CDP Questionnaire's climate change field, we were certified with a B score.

SOMPOsustainability index

Gunze was selected for inclusion in the SOMPOsustainability index independently established by Sompo AssetManagement Co., Ltd. foran twelve consecutive years.

Kurumin



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.

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GRI Standards Comparison Table

General Disclosures 2021：GRI2 Material Topics 2021：GRI3 Economy：GRI200
Environment：GRI300 Society：GRI400

General Disclosures 2021：GRI2

GRI Standard	Disclosure	Reference
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
GRI 2-1	Organizational details	Company Profile
GRI 2-2	Entities included in the organization's sustainability reporting	Company Profile Business Locations
GRI 2-3	Reporting period, frequency and contact point	Editing Policy
GRI 2-4	Restatements of information	Not applicable
GRI 2-5	External Assurance	—
2. Activities and workers		
GRI 2-6	Activities, value chain and other business relationships	Company Profile Business Supply Chain
GRI 2-7	Employees	ESG Performance Data
GRI 2-8	Workers who are not employees	—

3. Governance		
GRI 2-9	Governance structure and composition	Corporate Governance Corporate Governance Report
GRI 2-10	Nomination and selection of the highest governance body	Corporate Governance Corporate Governance Report
GRI 2-11	Chair of the highest governance body	Corporate Governance Corporate Governance Report
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Corporate Governance Report
GRI 2-13	Delegation of responsibility for managing impacts	Corporate Governance Corporate Governance Report Sustainability Management
GRI 2-14	Role of the highest governance body in sustainability reporting	Sustainability Management
GRI 2-15	Conflicts of interest	Corporate Governance Report Annual Securities Report (Yuka Shoken Hokokusho)
GRI 2-16	Communication of critical concerns	Sustainability Management Risk Management
GRI 2-17	Collective knowledge of the highest governance body	Corporate Governance
GRI 2-18	Evaluation of the performance of the highest governance body	Corporate Governance
GRI 2-19	Remuneration policies	Corporate Governance Corporate Governance Report Annual Securities Report (Yuka Shoken Hokokusho)
GRI 2-20	Process to determine remuneration	Corporate Governance Corporate Governance Report Annual Securities Report (Yuka Shoken Hokokusho)
GRI 2-21	Annual total compensation ratio	—

4. Strategy, policies and practices		
GRI 2-22	Statement on sustainable development strategy	Sustainability Message
GRI 2-23	Policy commitments	Corporate Conduct Charter Human Rights Policies & Guidelines List
GRI 2-24	Embedding policy commitments	Human Rights Sustainability Management Compliance
GRI 2-25	Processes to remediate negative impacts	Compliance Risk Management
GRI 2-26	Mechanisms for seeking advice and raising concerns	Compliance ESG Performance Data
GRI 2-27	Compliance with laws and regulations	Compliance
GRI 2-28	Membership associations	Participation in Initiatives & External Evaluation
5. Stakeholder engagement		
GRI 2-29	Approach to stakeholder engagement	Disclaimer Stakeholders Communication
GRI 2-30	Collective bargaining agreements	ESG Performance Data Human Capital

Material Topics 2021：GRI3

GRI Standard	Disclosure	Reference
GRI3：Material Topics 2021		
GRI 3-1	Process to determine material topics	Materiality
GRI 3-2	List of material topics	Materiality
GRI 3-3	Management of material topics	Corporate Governance Sustainability management

Economy：GRI200

GRI Standard	Disclosure	Reference
GRI 201: Economic Performance 2016		
GRI 201-1	Direct economic value generated and distributed	Annual Securities Report (Yuka Shoken Hokokusho) Financial Highlights
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Response
GRI 201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (Yuka Shoken Hokokusho)
GRI 201-4	Financial assistance received from government	—
GRI 202: Market Presence 2016		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
GRI 202-2	Proportion of senior management hired from the local community	—
GRI 203: Indirect Economic Impacts 2016		
GRI 203-1	Infrastructure investments and services supported	—
GRI 203-2	Significant indirect economic impacts	Not applicable
GRI 204: Procurement Practices 2016		
GRI 204-1	Proportion of spending on local suppliers	—
GRI 205: Anti-corruption 2016		
GRI 205-1	Operations assessed for risks related to corruption	—
GRI 205-2	Communication and training about anti-corruption policies and procedures	Compliance
GRI 205-3	Confirmed incidents of corruption and actions taken	—
GRI 206: Anti-competitive Behavior 2016		
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—

GRI 207: Tax 2019		
GRI 207-1	Approach to tax	Compliance
GRI 207-2	Tax governance, control, and risk management	Compliance
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Compliance
GRI 207-4	Country-by-country reporting	—

Environment：GRI300

GRI Standard	Disclosure	Reference
GRI 301: Materials 2016		
GRI 301-1	Materials used by weight or volume	—
GRI 301-2	Recycled input materials used	—
GRI 301-3	Reclaimed products and their packaging materials	Environmentally Considerate Products & Technologies
GRI 302: Energy 2016		
GRI 302-1	Energy consumption within the organization	ESG Performance Data
GRI 302-2	Energy consumption outside of the organization	—
GRI 302-3	Energy intensity	—
GRI 302-4	Reduction of energy consumption	Environmentally Considerate Products & Technologies ESG Performance Data Management
GRI 302-5	Reductions in energy requirements of products and services	Environmentally Considerate Products & Technologies

GRI 303: Water and Effluents 2018		
GRI 303-1	Interactions with water as a shared resource	Water Resource Conservation
GRI 303-2	Management of water discharge-related impacts	Water Resource Conservation
GRI 303-3	Water withdrawal	—
GRI 303-4	Water discharge	—
GRI 303-5	Water consumption	—
GRI 304: Biodiversity 2016		
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	—
GRI 304-3	Habitats protected or restored	Biodiversity
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI 305: Emissions 2016		
GRI 305-1	Direct (Scope 1) GHG emissions	Climate Change Response ESG Performance Data
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate Change Response ESG Performance Data
GRI 305-3	Other indirect (Scope 3) GHG emissions	Climate Change Response ESG Performance Data
GRI 305-4	GHG emissions intensity	—
GRI 305-5	Reduction of GHG emissions	Climate Change Response
GRI 305-6	Emissions of ozone-depleting substances (ODS)	—
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	—

GRI 306: Waste 2020		
GRI 306-1	Waste generation and significant waste-related impacts	Reducing Waste ESG Performance Data
GRI 306-2	Management of significant waste-related impacts	Reducing Waste ESG Performance Data
GRI 306-3	Waste generated	ESG Performance Data
GRI 306-4	Waste diverted from disposal	—
GRI 306-5	Waste directed to disposal	ESG Performance Data
GRI 307: Environmental Compliance 2016		
GRI 307-1	Non-compliance with environmental laws and regulations	Reducing Waste
GRI 308: Supplier Environmental Assessment 2016		
GRI 308-1	New suppliers that were screened using environmental criteria	Supply Chain
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Human Rights Supply Chain

Society：GRI400

GRI 401: Employment 2016		
GRI 401-1	New employee hires and employee turnover	ESG Performance Data
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
GRI 401-3	Parental leave	ESG Performance Data
GRI 402: Labor/Management Relations 2016		
GRI 402-1	Minimum notice periods regarding operational changes	—

GRI 403: Occupational Health and Safety 2018		
GRI 403-1	Occupational health and safety management system	Health and Safety
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Risk Management
GRI 403-3	Occupational health services	Health and Safety
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
GRI 403-5	Worker training on occupational health and safety	Health and Safety
GRI 403-6	Promotion of worker health	Human capital
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	—
GRI 403-8	Workers covered by an occupational health and safety management system	Health and Safety
GRI 403-9	Work-related injuries	ESG Performance Data
GRI 403-10	Work-related ill health	ESG Performance Data
GRI 404: Training and Education 2016		
GRI 404-1	Average hours of training per year per employee	ESG Performance Data
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Human capital
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	—
GRI 405: Diversity and Equal Opportunity 2016		
GRI 405-1	Diversity of governance bodies and employees	ESG Performance Data Diversity, Equity & Inclusion
GRI 405-2	Ratio of basic salary and remuneration of women to men	Annual Securities Report (Yuka Shoken Hokokusho)
GRI 406: Non-discrimination 2016		
GRI 406-1	Incidents of discrimination and corrective actions taken	Compliance

GRI 407: Freedom of Association and Collective Bargaining 2016		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human capital
GRI 408: Child Labor 2016		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Human rights
GRI 409: Forced or Compulsory Labor 2016		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights
GRI 410: Security Practices 2016		
GRI 410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of Indigenous Peoples 2016		
GRI 411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016		
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier Social Assessment 2016		
GRI 414-1	New suppliers that were screened using social criteria	Supply Chain
GRI 414-2	Negative social impacts in the supply chain and actions taken	—
GRI 415: Public Policy 2016		
GRI 415-1	Political contributions	—
GRI 416: Customer Health and Safety 2016		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	—
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	—

GRI 417: Marketing and Labeling 2016		
GRI 417-1	Requirements for product and service information and labeling	—
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	—
GRI 417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418 : Customer Privacy 2016		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Risk Management

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ISO 26000 Comparison Table

Core Subjects

Organizational Governance Human Rights Labor Practices Environment
Fair Operating Practices Consumer Issues Community Involvement and Development

Organizational Governance

Issues	Relevant Gunze Site Links
1:Organizational Governance	› Sustainability Message › Sustainability management › Stakeholders communication › Corporate Governance

Human Rights

Issues	Relevant Gunze Site Links
1: Due diligence 2: Human rights risk situations 3: Avoidance of complicity 4: Resolving grievances 5: Discrimination and vulnerable groups 6: Civil and political rights 7: Economic, social and cultural rights 8: Fundamental principles and rights at work	› Sustainability management › Human rights › Human capital › Quality Assurance & Customer Responsibility › Supply chain › Stakeholders communication › Compliance

Labor Practices

Issues	Relevant Gunze Site Links
1: Employment and employment relationships **2: Conditions of work and social protection** **3: Social dialogue** **4: Health and safety at work** **5: Human development and training in the workplace**	› Human rights › Human capital › Health and Safety › Stakeholders communication › ESG Performance Data

Environment

Issues	Relevant Gunze Site Links
1: Prevention of pollution **2: Sustainable resource use** **3: Climate change mitigation and adaptation** **4: Protection of the environment, biodiversity and restoration of natural habitats**	› Environment › Supply chain › Stakeholders communication › ESG Performance Data

Fair Operating Practices

Issues	Relevant Gunze Site Links
1: Anti-corruption **2: Responsible political involvement** **3: Fair Competition** **4: Promoting social responsibility in the value chain** **5: Respect for property rights**	› Gunze's Sustainability › Supply chain › Stakeholders communication › Compliance

Consumer Issues

Issues	Relevant Gunze Site Links
1: Fair marketing, factual and unbiased information and fair contractual practices **2: Protecting consumer's health and safety** **3: Sustainable consumption** **4: Consumer service, support, and complaint and dispute resolution** **5: Consumer data protection and privacy** **6: Access to essential services** **7: Education and awareness**	› Reducing waste › Quality Assurance & Customer Responsibility › Social Contribution › Stakeholders communication › Compliance › Risk Management › Privacy Policy

Community Involvement and Development

Issues	Relevant Gunze Site Links
1: Community engagement **2: Education and culture** **3: Employment creation and skills development** **4: Technology development and access** **5: Wealth and income creation** **6: Health** **7: Social investment**	› Human capital › Health and Safety › Social Contribution › Stakeholders communication › Compliance › Research & Development

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TCFD Comparison Table

Governance Strategy Risk management Metrics and targets

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Recommended disclosure items	Relevant section
a)The board's oversight of climate-related risks and opportunities	Sustainability management Climate Change Response Corporate Governance Annual Securities Report (Yuka Shoken Hokokusho) Integrated Report
b)Management's role in assessing and managing climate-related risks and opportunities	

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Recommended disclosure items	Relevant section
a)The climate-related risks and opportunities the organization has identified over the short,medium, and long term.	Climate Change Response Management Annual Securities Report (Yuka Shoken Hokokusho) Integrated Report
b)The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
c)The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	

Risk management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended disclosure items	Relevant section
a)The organization's processes for identifying and assessing climate-related risks	› Sustainability management › Corporate Governance › Annual Securities Report (Yuka Shoken Hokokusho) › Integrated Report
b)The organization's processes for managing climate-related risks	
c)How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosure items	Relevant section
a)The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	› Climate Change Response › Management › Annual Securities Report (Yuka Shoken Hokokusho) › Integrated Report
b)Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	
c)The targets used by the organization to manage climate-related risks and opportunities and performance against targets	

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Integrated Report

GUNZE Integrated Report 2026



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0.Introduction (PDF:1.4MB)

P01 Roadmap to VISION 2030
P02 Beyond Structural Reform
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P04 Key Features of the Gunze Integrated Report 2026 / Information Disclosure Framework

1.Continuously Providing Comfort Solutions (PDF:3.1MB)

P06 At a Glance
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2.Gunze's Foundation (PDF:7.9MB)

P14 A Track Record of Value Creation
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3.How Gunze Will Transform (PDF:5.1MB)

P42 Risks and Opportunities, Materiality
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P62 Corporate Governance

5.Corporate Data (PDF:1.5MB)

P77 Financial and Non-□nancial Highlights

P69 Governance Dialogue: Representative Director and President × Outside Director

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Related Reports

Integrated Report 2025 (PDF:13.5MB)

Integrated Report 2024 (PDF:8.5MB)

Integrated Report 2023 (PDF:8.1MB)

Integrated Report 2022 (PDF:9MB)

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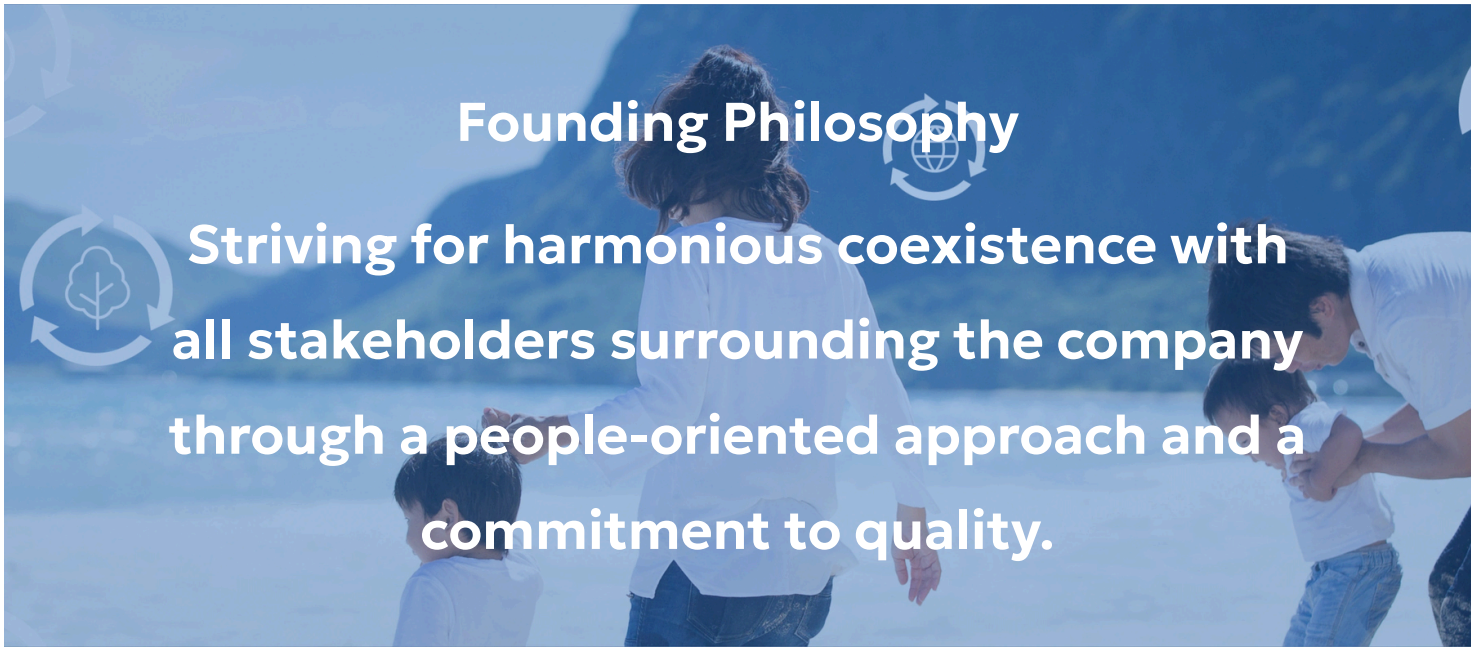
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Management Philosophy

With the aim to give back to the society in which we operate, Gunze is determined to be a responsible corporate citizen by adhering to our founding philosophy that underscores a people-oriented approach, a commitment to quality, and coexistence.

Corporate Motto

- **Contribute to society through the supply of quality products**
- **Operate with integrity to build strong relationships with our customers and associates**
- **Aim at global leader by utilizing youthful energy and creativity**

Management Vision

Create new value and deliver a "Comfort Solutions for Life" to customers, contributing to a sustainable society.

Brand statement

Comfort Solutions for Life

With the aim to give back to the society in which we operate, Gunze is determined to be a responsible corporate citizen by adhering to our founding philosophy that underscores a people-oriented approach, a commitment to quality, and coexistence.

To ensure that the lives of people living today and in the future will be "comfortable".
Gunze listens to the needs of society and considers what Gunze can do and what only Gunze can do.
The company continues to create new value through our creative solutions.

GUNZE ACTIVITY GUIDELINES

Chapter 1 Gunze endeavors to contribute to society through its corporate activities and to fulfill its responsibility as a corporate citizen.

1. We shall develop useful and safe products and services for society, and deliver relief and satisfaction to our customers.
2. We shall proactively pursue environmental issues in our corporate activities, and work to co-exist with the Earth.
3. We shall support and participate in community activities as well as social activities, and contribute to society.
4. We shall educate and enlighten all company members so that they can be good corporate people and working people. We shall respect human rights, personality and individuality in all corporate activities.
5. We shall value communication with society, and disclose corporate information in a positive and fair manner, to ensure transparency.

Chapter 2 Gunze is determined to promote activities in conformance with fair and internationally accepted rules.

1. We shall comply with the rules of society, and conduct business activities in a fair and free competition.
2. We shall comply with the law and have high ethical standards, and will not condone antisocial or illegal behavior.
3. To antisocial organizations or to antisocial forces, we shall show a resolute attitude and take a firm stance to eliminate them.
4. We shall comply with international rules, respect the culture and customs of the countries concerned, and conduct business activities that earn trust.
5. When a problem occurs within the company, the top management shall in a timely manner conduct a thorough investigation to determine the cause, clarify responsibilities, and take strict action in accordance with the regulations, along with the measures necessary to prevent a recurrence, and disclose the information in and out on a timely and accurate basis.

Chapter 3 Gunze shall vigorously accept any challenges and meet them with a sensible course of action.

1. We shall work quickly with self-awareness and responsibility in order to think about the customers' point of view at all times and to meet their expectations.
2. We shall pursue proper management of the information and property of the company, and conduct ourselves as a member of society with common sense who does not allow oneself or others to behave dishonestly or mix private and public matters. When we recognize a situation against the Code of Conduct, we shall transmit the information quickly to stakeholders including the top management.
3. In order to realize corporate objectives and our own dream, we shall study energetically through self-development training, suggestion or discussion, and challenge ourselves bravely without fear of failure.
4. We shall participate in social and community activities actively as a citizen, and build friendly relations with society.
5. We shall value compassion and assistance, and respect the human rights of each other.

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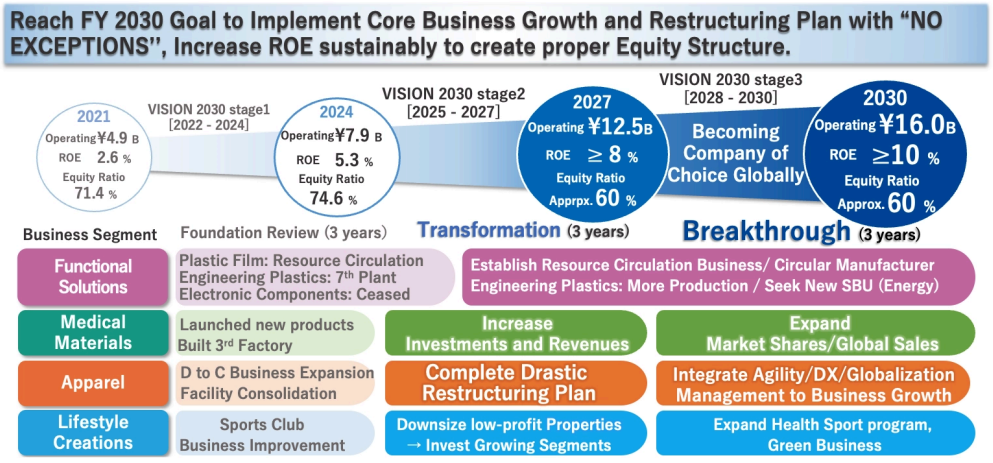
Medium-Term Management Plan

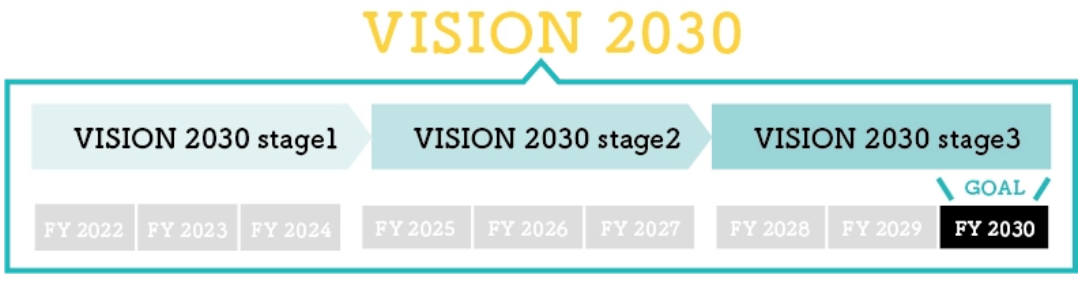
VISION 2030 Grand Design

New Medium-Term Management Plan “VISION 2030 Stage 2

New Medium-Term Management Plan “VISION 2030 Stage 1

VISION 2030 Grand Design





New Medium-Term Management Plan “VISION 2030 Stage 2

(1) VISION2030 stage2 Plan (2) Segment Business Strategies (3) Financial Strategies

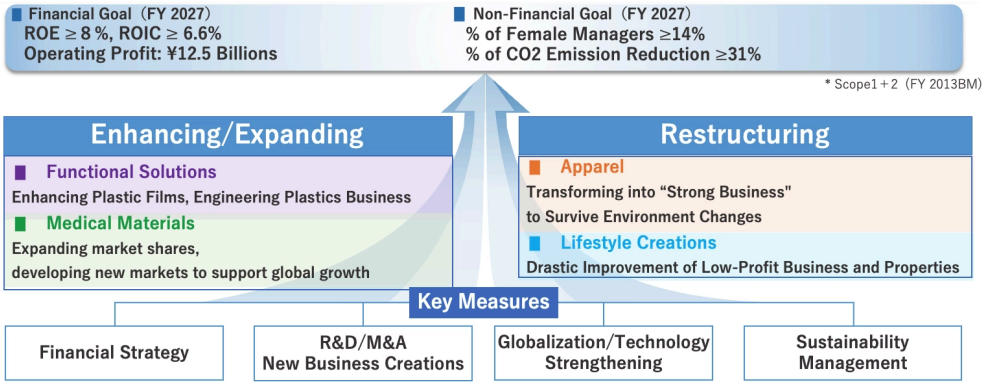
(4) Sustainability Management (Human Capital Management)

(1) VISION2030 stage2 Plan

Basic Concept

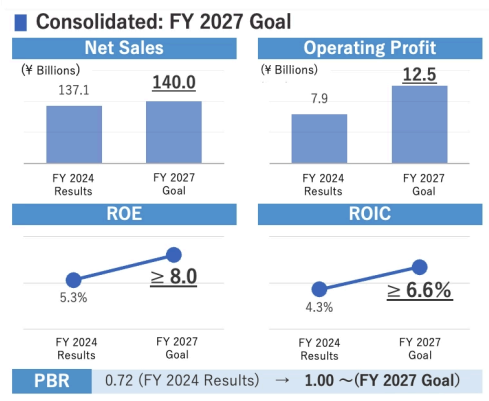
To Be “Company of Choice Globally”, Advance Sustainable Business Foundation

Summary



Financial Goal

Accelerate High ROIC Business, Restructure Low-ROIC Business, Optimize Capital Structure, to Maximize Corporate Growth and Capital Efficiency

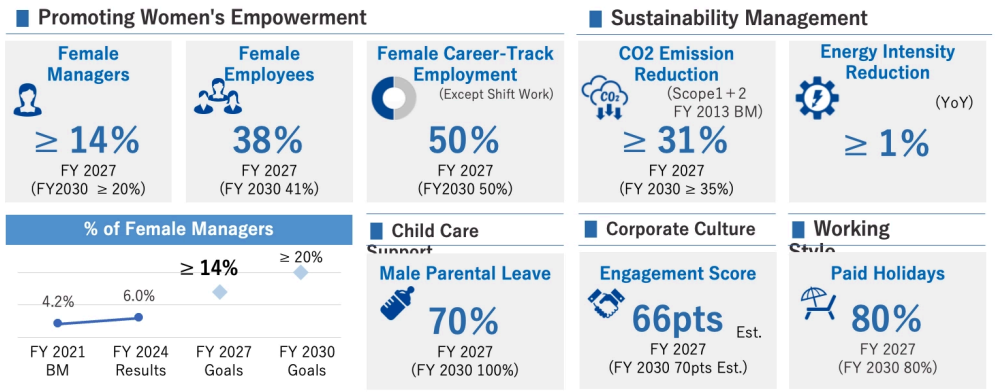


Business Segment: FY 2027 Goal

Business Segment		FY 2024 Results	FY 2027 Goal
Functional Solutions	Net Sales	¥52.2B	¥54.0B
	Operating Profit	¥7.2B (13.8%)	¥8.8B (16.3%)
	ROIC	10.5%	11.6%
Medical	Net Sales	¥12.9B	¥19.0B
	Operating Profit	¥2.4B (18.8%)	¥3.9B (20.5%)
	ROIC	14.2%	25.0%
Apparel	Net Sales	¥60.7B	¥54.1B
	Operating Profit	¥0.7B (1.2%)	¥2.3B (4.3%)
	ROIC	1.3%	5.1%
Lifestyle Creations	Net Sales	¥12.0B	¥13.8B
	Operating Profit	¥0.9B (8.2%)	¥1.4B (10.1%)
	ROIC	3.8%	5.4%

Non Financial Goal

Ensure CO2 Emission Reduction, Enhance Corporate Performance and Enterprise Value with Human Resource Empowerment

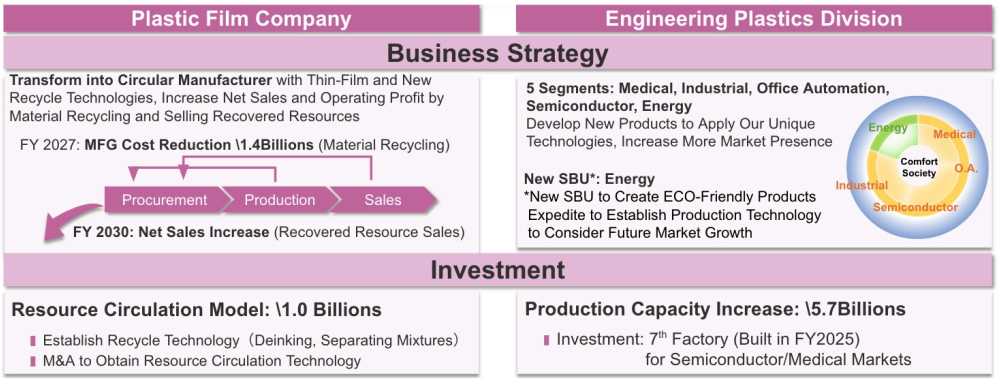


(2) Segment Business Strategies

1. Functional Solutions

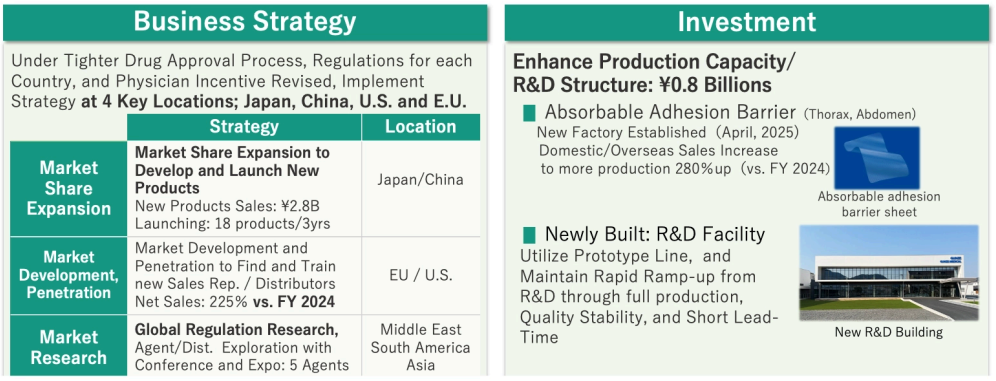
Plastic Film：Utilize Capabilities of Recycle Technologies and Functional Solutions, Expand Resource Circulation Business Model around the World

Engineering Plastics：Increase Production Capacity with Factory Expansion, Strengthen Business in Semiconductor and Medial Markets



2. Medical Materials

Expand Market Share and Explore New Markets, Invent R&D and Manufacturing more, Success to Global Company



3.Apparel

Complete Restructuring Plan with no Exception Next 2 years (FY2025-2026), Execute Sustainable Business Turnaround to More Profitable



Goal	■ Move Forward Specific Targeting and Price Revision, Implement Value Chain Reconfiguration and “Local Production / Local Sales” Strategy, Establish and Grow Profitable base ■ Improve Operating Profit, **+ ¥1.7 Billions vs. FY 2024**, by FY 2027

Strategy	BM	Specific Key Measures	
Concentration (Domestic Market Decline)	Brands 60% Less SKU 25% Less	■ **Brand/SKU Consolidation**	- Concentrate on High-Profit Categories
		■ **Sales Price Review** (Legwear/Innerwear)	- Clarify Target Customer, Optimize Sales Pricing
Value Chain Reconfiguration (Sales Channel Shift)	Inventory 40% Less	■ **Value Chain/Work Force**	- Merge Factories/Admin Dep, Automation
		■ **Logistics**	- Reduce Lead Time and Inventory
Local Production & Local Sales (Currency Fluctuation)	Business Formation by End of FY 2026	■ **Overseas Business Scheme Transformation**	- Reorganize Overseas Workforce (Planning, Development, Sales) - Reinforce Local Alliance - Enhance Local Manufacturing (Multiproduct)
		■ **Central Purchasing**	- Main/Sub Material, Dye Stuff, Consumables

4.Lifestyle Creations

Appraise Profitability and Continuous Business Growth for Segments and Facilities, Implement Restructuring Plan to Facilities with GVA Deficit.

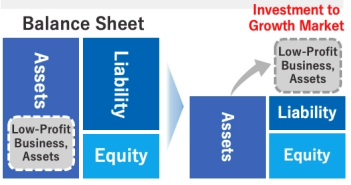
■ **Lifestyle Creations: Business Direction to Each Segment**

Segment	Profitability	Business Direction
Real Estate	GVA: **Deficit** Need Profitability Improvement	**Implement Restructuring,** To be GVA: **Surplus,** **Stable Profit foundation**
Sports Club	Sports Club Reorganization Profitability Improved GVA: **Surplus** by FY 2027	GVA: **Surplus** **More focusing on Public Health Area**
Landscaping Greening	GVA: **Surplus**	Maintain GVA: **Surplus,** Business Expansion **Leading Environmental Contribution**

■ **Lifestyle Creations Reformation**

Appraisal, Action Plans for Assets

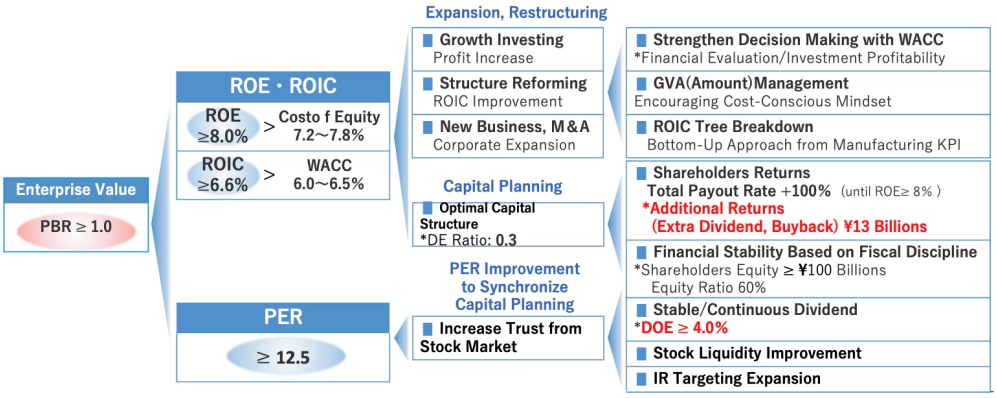
- **Sorting: Assets with GVA Deficit**
- **Improving: Low-Profit Assets**
- **Reducing: Unprofitable Assets**
- **Realizing Low-Profit Assets: Focus on M&A, Growing Business**
- **Utilizing External Consultants**



(3) Financial Strategies

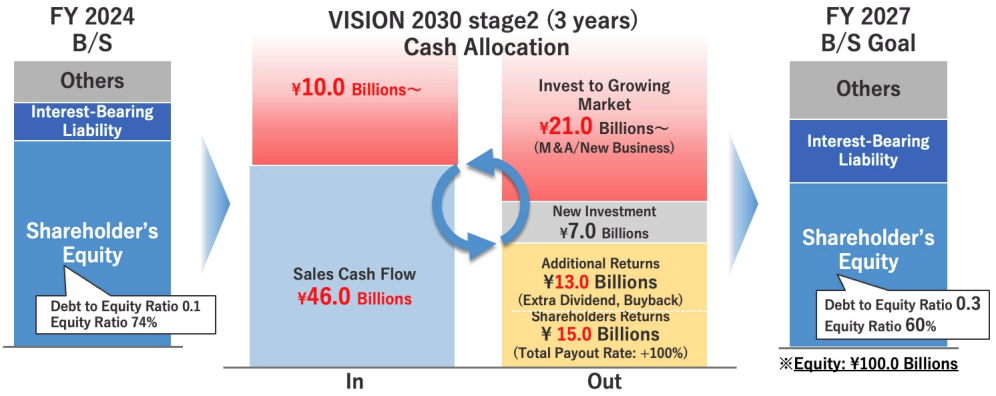
Summary

Implement Restructuring, Capital and PER Improvement Planning, Achieve PBR ≥ 1.0 to Enhance Enterprise Value



Capital Planning

By Resource Allocation to Growth Investing and Shareholder’s Return, and Proactive Leveraging, Optimize Equity to Maximize ROIC and Maintain Financial Stability



(4) Sustainability Management (Human Capital Management)

Build Human Resources and Corporate Culture to Implement Corporate Strategy For Sustainable Enterprise Value and Competitiveness Enhancement



Please see below for the details

Medium-term Management Plan ＜stage2 of "VISION 2030"＞ (PDF:5.7MB)

New Medium-Term Management Plan “VISION 2030 Stage 1”

(1) Pivotal Strategies and Management Goals

(2) 4 Pivotal Strategies – Details

(3) Investment and Financial Strategies

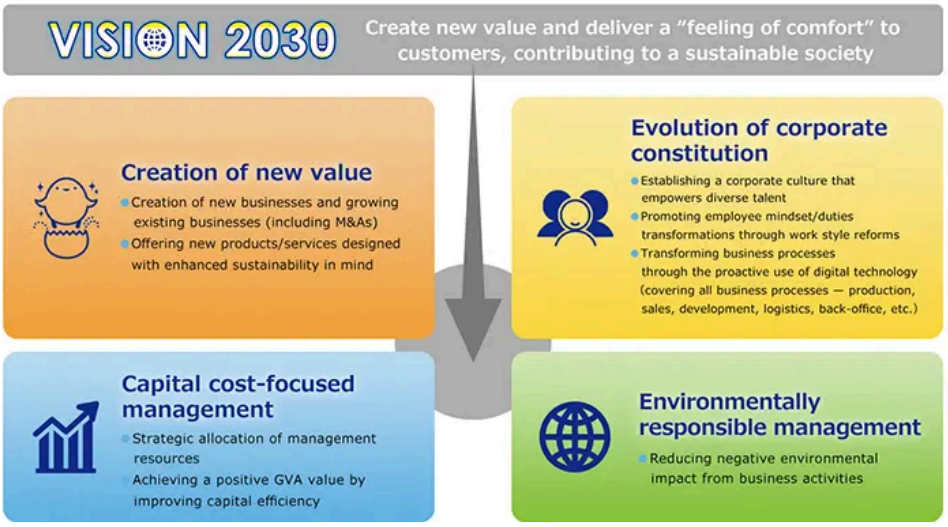
(1) Pivotal Strategies and Management Goals

Perception of Changes in the External Environment

Changes	Impact	New Normal	GUNZE's movements
Changes in social / economic structures	・Diversifying work styles ・Expanding healthcare / nursing care markets ・Growing EC market	＜Living adapting to the COVID-19 situation＞ ・Changing consumer purchasing behavior 【Strong sectors】 EC, hygiene-related business, home meal replacements, etc. 【Sluggish sectors】 Retail, travel, eating out, sports club, etc. ・Accelerating work style reforms 【Offices】 Downsizing offices, office relocations to local regions 【Work style】 Teleworking becoming the normal	・Offering new products / services responsive to changes ・Promoting work styles suitable for the New Normal ・Creating added value through digital technology →Taking on the challenge of growth strategy and reinforcing corporate constitution
Advancing digital technology	・Rapid growth of businesses that protect against virus-related person-to- person contact ・Accelerated digital transformation		
Heightened environmental awareness	・Increasing company commitment to "net-zero GHG emissions" by 2050 ・SDGs contribution trending ・Strengthened environmental regulations	＜Global trends＞ ・Accelerating ESG investments ・Accelerating efforts to realize a decarbonized society	・Implementing sustainable management →Enhancing customer satisfaction and corporate value

In addition to the above, our business environment is becoming more severe and insecurity is on the rise with soaring oil / raw material costs and the depreciating yen

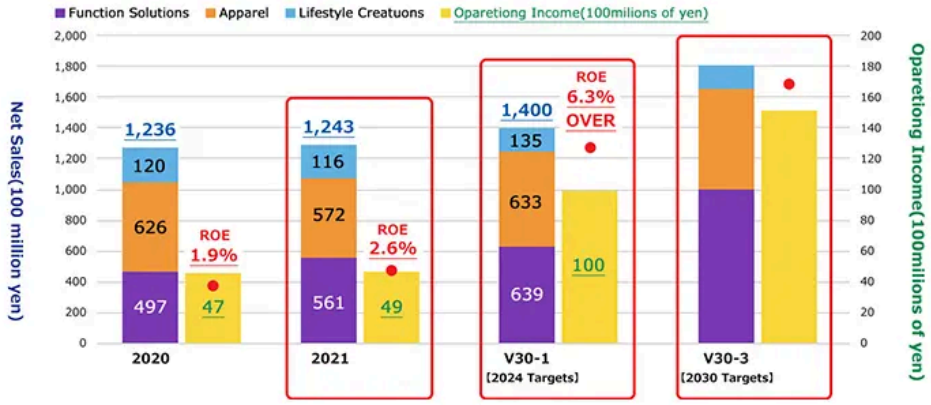
4 Pivotal Strategies



Management Goals (Financial Goals)

2024 targets

Net Sales(100 million yen)：1,400　Opareting Income（100 millions of yen）：100　ROE（%）：6.3　over



※Plans by segment



Management Goals (Non-financial Goals)

Category	Target indicators		2024 targets	2030 targets
Environmental responsiveness	CO_2 emissions reduction rate (vs. FY2013, Scope 1 +2)		28% or higher	35% or higher
	Per-unit energy consumption reduction rate (vs. previous year)		1% / year or higher	
Corporate constitution evolution	Promotion of women's empowerment	Ratio of women in managerial roles	6% or higher	20% or higher
		Ratio of female employees in workforce	35%	41%
		Ratio of women hired in main career track	50%	50%
	Parenting support	Men's paternity leave utilization rate	50%	70%
	Corporate culture creation	Engagement score	70pt. (estimate)	80pt. (estimate)
	Work style reform	Annual paid leave utilization rate	75%	100%
Others	Productivity improvement rate (P value*) *GUNZE's own productivity metric over the previous year		103%	103%

(2) 4 Pivotal Strategies – Details

① Creation of New Value

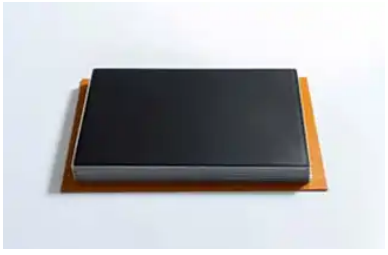
Build a corporate culture supportive of challenge and able to integrate the power and resources of the entire company

a. Creation of new businesses and growing existing businesses

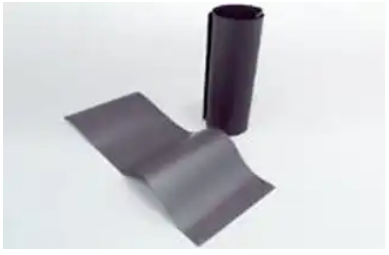
a-1. Creation of new businesses -Promote innovation by diving deeper into core technologies and combining them effectively

・Commercialization of functional films such as films for next-generation lithium-ion batteries
・Promote partnering with startups and M&A; developing platform for new business creation

To provide more security and comfort and to benefit future generations, we employ our technology to help create a sustainable society



Next-generation lithium-ion battery external view



Film for next-generation lithium-ion batteries

a-2.Growing existing businesses by expanding new fields / domains
-People/earth-focused products/services 【Security, Reliability, Comfort】



Expand sales for plastic films, medical materials, etc. globally (North America, China, ASEAN, etc.)



Expand semiconductor / medical-related businesses in the engineering plastics segment (Photo: Clean Konan Factory completed in 2020)



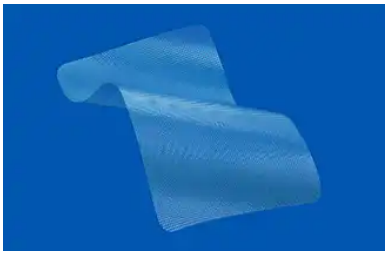
Accelerate shift to DTC business model for apparel (online sales, directly managed stores); strengthening women's innerwear and leggings product lineups



Strengthen swimming and other schools in the sports club business

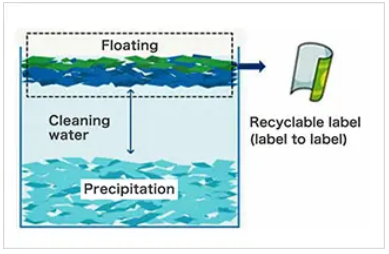
b. Offering new products/services designed with enhanced sustainability in mind
-People/earth-focused products/services 【Security, Reliability, Comfort】

Medical



Continue releasing innovative products centering on absorbable products Photo: TENALEAF® — the first Japan-made sheet-type absorbable adhesion barrier

Plastic Films



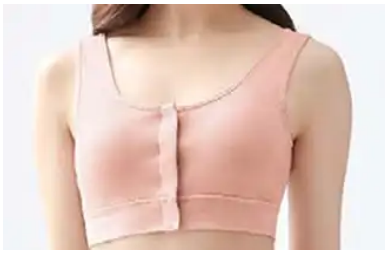
Create new value through resource-circulating type films (Chart) Technology established for environmentally friendly water-flotation film to promote recycling

Engineering Plastics



Expand fluororesin product lines in health / medical-related fields

Apparel



Reinforce and expand wellness & health category products

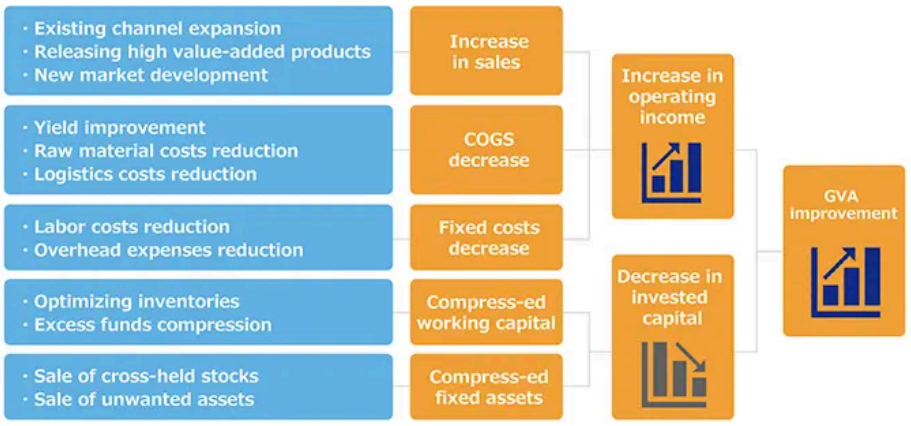
Gunze Development



Renovation of "Gunze Town Center TSUKASHiN" for enhanced people / environment friendliness

② Capital Cost-focused Management

Concentrate investments in high-growth fields and sustainability-focused businesses Enhance capital efficiency by implementing performance indicator tree for GVA improvement



Category	Indicator	2021 results	2024 targets
Company-wide	ROE	2.6%	6.3% or higher
	GVA	-2,679 million yen	Positive company-wide GVA
Divisions with positive GVA	ROIC	MBO based on ROIC	

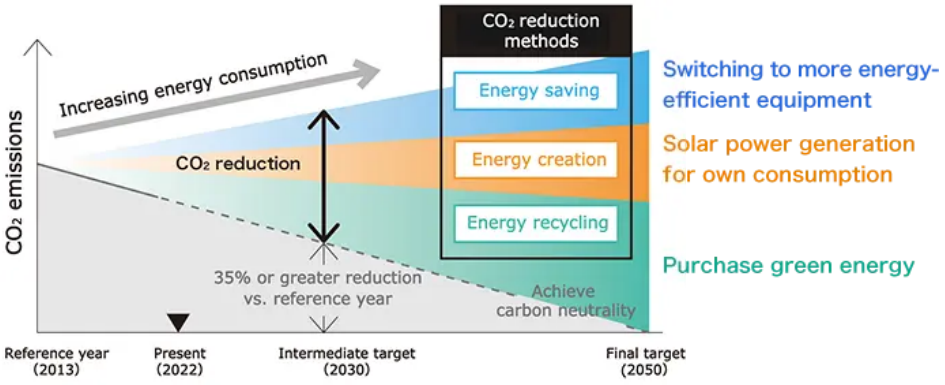
※ Divisions with negative GVA value to exert efforts to reach positive GVA value expeditiously

③ Environmentally Responsible Management

Reducing negative environmental impact through business activities

a. Significant promotion of energy saving, creation, and recycling activities

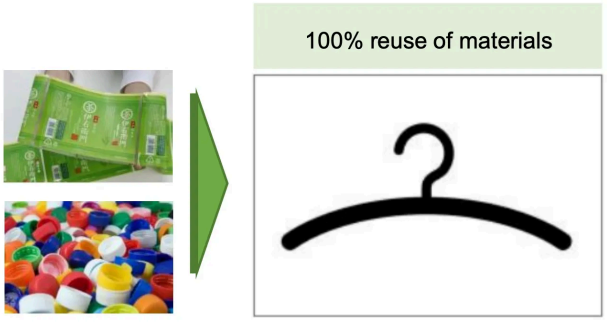
Reduce CO_2 emissions by 35% or more by 2030 (vs. 2013, Scope 1+2*)



*Creating Scope 3 reduction scenario by FY2022 end

b. Resource circulation

Collaborative recycling promotion by Plastic Film and Apparel Divisions



c. Sustainable procurement

Promote purchase of biomass/renewable materials

■Plan to make 12 billion yen environment-related investment by 2030

Investment (100 millions of yen)		Main investment plans
V30-1	86	Circular Factory (Moriyama) “Net Zero Carbon” Factory (Yanase) Enhanced-efficiency equipment Solar power generation system Waste solvent recycling equipment
V30-2	25	
V30-3	9	
Total	120	

Environmentally responsible model factories

Circular Factory

a. Petrochemical raw material use reduction

Thinner film design, increasing bio-based raw materials use

b. Establishing a resource circulation system

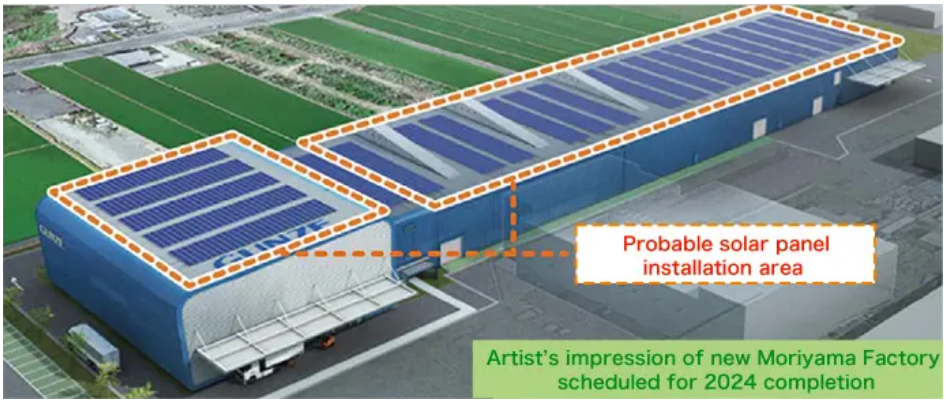
Recycling-oriented product development, establishing technology for raw material recycling

c. Efficient resource utilization

Recovering solid plastic waste for reuse to realize “zero emissions”



Zero emissions



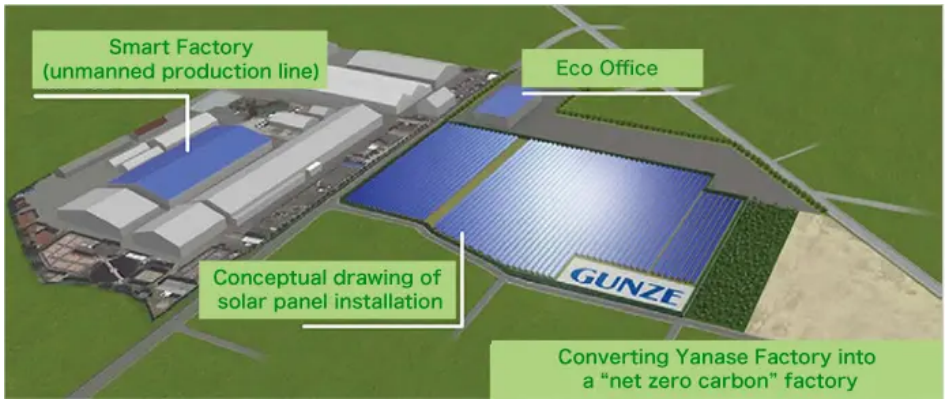
“Net Zero Carbon” Factory

a. Energy efficiency improvement Realtime visualization of energy usage, updating equipment to increase energy efficiency

b. Fossil fuel usage reduction Switching to full electrification

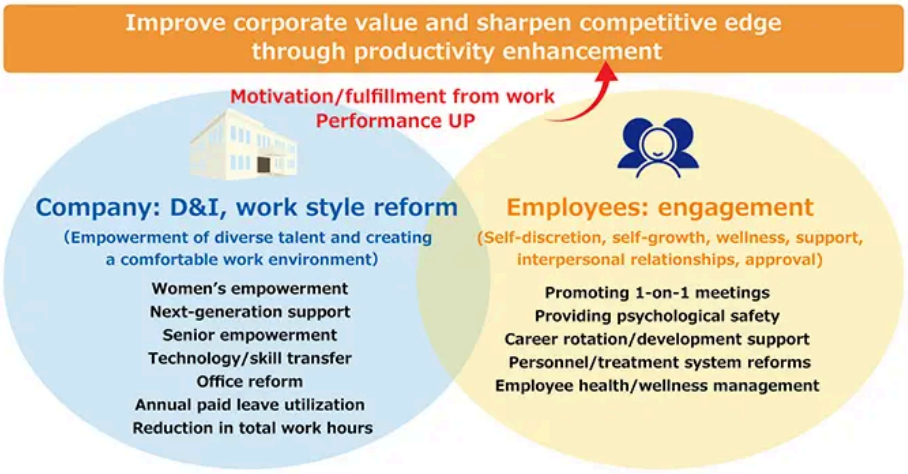
c. Solar panel installation and greening





④ Evolution of Corporate Constitution

Nurture an organizational culture supporting diverse talent to attain fulfillment from work, establishing GUNZE as a healthy and visionary company that society can rely on



Create new value through business processes transformed through digital technology

Management information sharing **Accelerating management decisions**	Restructuring company-wide/business division-specific portals, visualizing management information through an energy monitoring system
Sales reforms **Transformation from analog/individual skill-dependent sales styles**	Expand sales through customer/market analyses using Big Data, AI, etc.; improve SCM plan accuracy based on demand forecasts, reducing losses
Product reforms **Transformation from analog/individual skill-dependent sales styles**	Achieve productivity improvement and production floor work style reforms by building a Smart Factory based on sensing/AI technologies
Indirect operation reforms **Productivity improvement through automation/labor-saving technologies**	Use of Robotic Process Automation (RPA) and related tools to reduce labor requirements for indirect operations, allowing more personnel to undertake higher value-added jobs

(3) Investment and Financial Strategies

Investment Strategy

Strive to sustainably improve corporate value and coexist well with our planet through growth and environment-related investments

Focus areas	Main investment plans	Investment amount (2022～2024)
Investing in new fields / equipment essential for sustainable growth	・Investing in new equipment and strengthening production capacities mainly for plastic films, engineering plastics, and medical materials ・Establishing a solid foundation allowing apparel to shift to DTC business model ・Renovation of “Gunze Town Center TSUKASHiN”	11.4 billion yen
Environment-related investment	・Circular Factory (Plastic Film, Moriyama Factory) ・Net Zero Carbon Factory（Innerwear, Yanase Factory）	8.6 billion yen
Re-development of business sites and others	Building extension / reconstruction, equipment relocation, etc., accompanying environment- related investments	8.8 billion yen
Updating/improving efficiency in existing equipment/facilities	-	4.3 billion yen

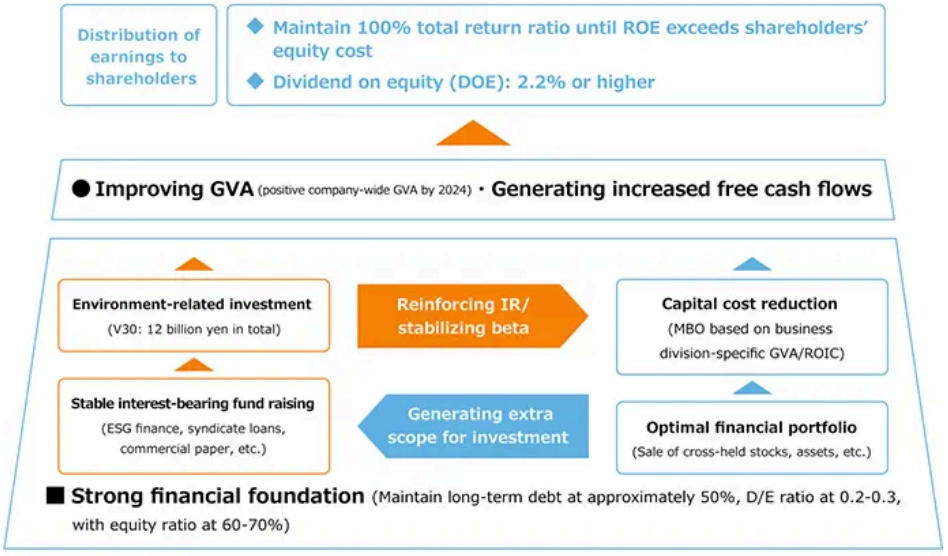
・Funding for M&A investments to be flexibly supplied as additional budget

・10 billion yen spend over 3 years planned for R&D (previous 3 years: 8.3 billion yen)

3-year investment plan: 33.2 billion yen
(Total investment over the previous 3 years: 19.2 billion yen)

Financial Strategy

Achieve environment-related investments and capital cost reduction while maintaining a solid financial foundation, improving GVA and generating increased free cash flows



Please see below for the details

Medium-term Management Plan ＜stage1 of "VISION 2030"＞ (PDF:5.0MB)

Investor Relations

Message from the President
Management Policy
Financial Information
Shareholder and Stock Information
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- Engineering Business
- Apparel Store Information

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News

July 9, 2024
Gunze Limited

BODY WILD x Gunze Green Initiatives to become carbon negative, where the amount of carbon absorbed exceeds the amount of GHG emissions Gunze obtains the first "CARE (ENVIRONMENT) Certification" in Japan

Osaka-Gunze Limited (Headquarters: Osaka, Japan, President: Toshiyasu Saguchi) [TOKYO: 3002] is pleased to announce that Gunze, in cooperation with its consolidated subsidiary Gunze Green Co., Ltd., has achieved carbon negativity, in which the amount absorbed exceeds the amount of greenhouse gas emissions. The amount of emissions absorbed by Gunze Green's greening project and the amount of emissions from the production of "3D-MADE Boxers" and "Cutoff™ Boxers" sold by BODY WILD were calculated by the Center for Urban Research, Kyushu University in cooperation with the Natural Capital Credit Consortium, a general incorporated association. As a result, under the analysis based on the method developed by the Center, the "BODY WILD" target products were found to be carbon negative.

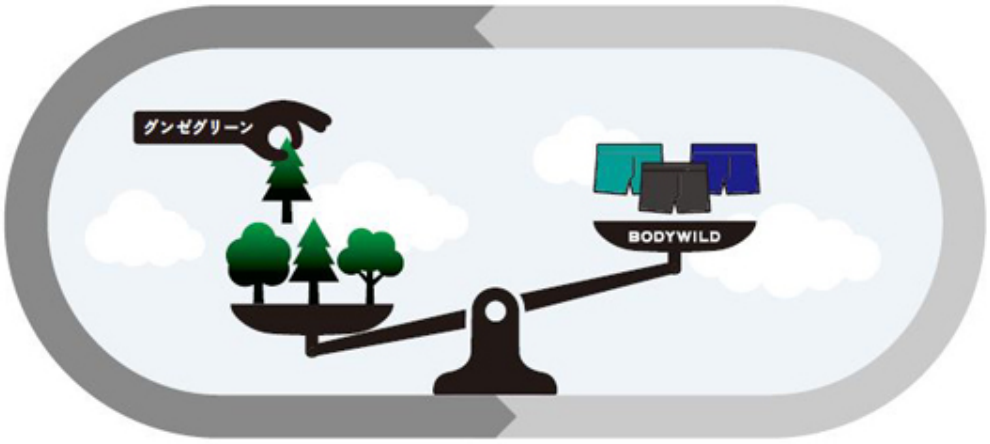


CARE
ENVIRONMENT

■ ”BODY WILD” is an environmentally friendly product developed through collaboration between industry and academia.

The amount of greenhouse gas reduction contribution from Gunze Green's greening project and the amount of greenhouse gas emissions generated by the production of BODY WILD products

were calculated using a highly reliable method called Extended Life Cycle Assessment, which was developed by the Center for Urban Research, Kyushu University through joint industry-academic research. Based on this reliable analysis, the amount of greenhouse gas emissions and reductions were correctly estimated, and Gunze Green's greening project and "BODY WILD" products were found to be carbon negative.



■Work with Gunze Green to address carbon negatives.

While the manufacturing process of one BODY WILD product emits approximately 2.209 kg-CO2e* of greenhouse gases, Gunze Green annually supplies approximately 4,843 tons of trees throughout Japan that absorb approximately 4,843 tons of CO2. This estimate proves that BODY WILD products are carbon negative, achieving virtually zero or less greenhouse gas emissions.

*CO2 equivalent, which is the value of carbon dioxide equivalent.



■ CARE ENVIRONMENT Carbon Negative certification, an initiative for environmentally friendly products recognized by a third party.

CARE Certification is the world's first initiative created by the Japan Institute of Metrology and Sustainability to make visible to everyone whether or not environmental impact and human rights are protected in the manufacturing process of products. CARE Certification has two categories: ENVIRONMENT and HUMAN RIGHTS. Gunze has obtained the "CARE ENVIRONMENT Carbon Negative Certification" (Environment Division), believing that this is a value that should be further spread throughout the world in the future. Gunze will continue to rise to the challenge of sustainable manufacturing with the goal of realizing an "Earth Friendly World".

CARE
ENVIRONMENT

■ **Commentary by Dr. Shuutaro Takeda, Associate Professor, Center for Urban Research, Kyushu University, The Organization for Sustainametrics, Japan.**

On the occasion of receiving the first "CARE Certification (ENVIRONMENT)" in Japan, I'm very pleased to cooperate with Gunze Limited in the development of "BODY WILD" as earth-friendly underwear. Global warming has various effects on the natural environment and human life. Under these circumstances, Gunze's initiative to offset greenhouse gas emissions from underwear production through its green business is a globally valuable and industry-leading initiative.

We are committed to making the earth a better place to live and tomorrow a better place to be. For the future of the earth, I will continue our efforts with Gunze.



■**BODY WILD has refreshed its brand image for the first time since its debut in 1998.**

BODY WILD has been one of our main men's underwear brands since 1998 and has been renewed with a new concept and logo as a total apparel brand for seamless living since February 2024.

The concept is "Bringing the body back to nature". In response to the current trend of seamless lifestyle and fashion, where people choose what they can identify with, we are taking the brand to a new level with an assortment that allows people to feel the brand's DNA, "the pursuit of comfort," all over their bodies.



■**About Gunze and our green business**

Founded in 1896 in Kyoto, Japan, Gunze is a leading designer and manufacturer of medical devices, plastic films, engineering plastics, electronic components, apparel and other products. Gunze employs more than 4,800 people in 10 countries around the world.

Gunze has been engaged in green business since 1973, based on our experience and technology in mulberry cultivation for sericulture, fertilizer management and soil research, and has been developing green business related to plants and flowers for 51 years. At present, the green business department has 4 offices nationwide.

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‹ News Archives

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News

MAy 30, 2024
Gunze Limited

Gunze Offers GEOPLAS®, a Resource Recycling (Label to Label) Shrink Film to Achieve Horizontal Recycling

Osaka-Gunze Limited (Headquarters: Osaka, Japan, President: Toshiyasu Saguchi)[TOKYO:3002] is pleased to announce that Gunze, in cooperation with Pietro Co., Ltd and Fuji Seal Inc., will provide GEOPLAS®, a resource recycling (label-to-label) shrink film for some Pietro dressing products. The company will work to realize a sustainable society by creating recycled labels from ink-releasable labels and recycling them horizontally.

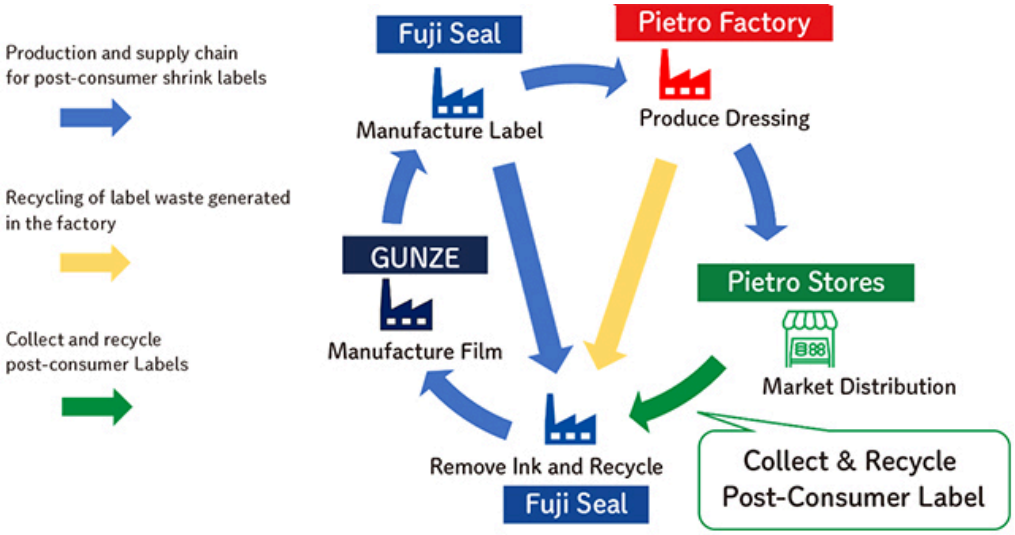
1. About label-to-label technology

This technology removes the printed ink from used packaging labels and recycles them into new labels. By recycling labels back into labels (material recycling), this technology helps recycle resources and reduce greenhouse gas emissions.



2. Horizontal recycling flow

Pietro dressing package labels collected at Pietro stores and unloaded at Pietro plants are stripped of ink and processed by Fuji Seal into recycled materials. Gunze then uses the raw materials to make film, which is then recycled into new labels.



3. Pietro restaurants where packaging labels are collected

Collection boxes will be placed in the following two Pietro restaurants beginning June 5, 2024.



Pietro Main Store Centrale
(Chuo-ku, Fukuoka, Japan)



Pietro Jiromaru Store
(Sawara-ku, Fukuoka, Japan)



Image of collection box

4. Recycling packaging label products



Pietro Dressing SHOYU 280ml
Products manufactured from May 28, 2024



Pietro Dressing SHOYU Green 280ml
Expected to be available from products manufactured in mid-September 2024.

*All photos courtesy of Pietro.

5. About Gunze

Gunze, founded in Kyoto in 1896, is a leading developer and manufacturer of plastic films, engineering plastics, medical devices and apparel. Gunze employs more than 4,800 people in 10 countries worldwide.

The Plastic Film business, established in 1962, has a substantial footprint over 20 countries. It has three manufacturing facilities in Japan, and subsidiaries in the U.S., Vietnam and China. Gunze's mission will continue to be centered on advancing the quality of life by providing innovative products and solutions.

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News

May 08, 2025
Gunze Limited

Gunze Apparel Business Establishes Sustainable Supply Chain
The company is working with suppliers to reduce the amount of plastic waste from our distribution centers and has developed hangers made of 100% PCR material.

Osaka-Gunze Limited (Headquarters: Osaka, Japan, President: Toshiyasu Saguchi) [TOKYO: 3002] is pleased to announce that Gunze has introduced a "recycled hanger" made of 100% *PCR material from plastic waste at the logistics bases of its Group company, Gunze Distribution Co., Ltd. This initiative is part of Gunze's efforts to promote "company-wide waste recycling" and realize a resource-recycling society. The "recycled hangers" will primarily be used for men's underwear "ASEDORON" and "HOT MAGIC" underwear sold at mass merchandisers. The company will use 350,000 hangers annually.

*PCR: PCR stands for Post-Consumer Recycled. It means the reuse of materials recovered from the marketplace.





(top photo)Project team
(bottom photo)Recycled hanger with Gunze recycled mark

■Establish a resource recycling program involving the supply chain

The newly developed "recycled hanger" was developed in collaboration with three suppliers: MATSUDA, CHU-PA, and OKAKEN. The goal of this collaboration is clear: to achieve resource recycling.

Plastic bags for product packaging scheduled for disposal at Gunze's distribution centers are used as raw materials. After delivery to each distribution center, the bags are consolidated at MATSUDA by utilizing OKAKEN's return trips. The bags are first crushed and converted into plastic material for material recycling. CHU-PA uses recycled raw materials to make men's underwear hangers. The hangers are made of 100% recycled PCR material, with no virgin material used. Gunze will reuse them as men's hangers.

We will expand our distribution centers and plant locations and accelerate "company-wide waste recycling" to realize a resource-recycling society.



Resource recycling program to produce recycled hangers

■About "Re. GUNZE®" Gunze recycled mark

This mark indicates that waste from Gunze products is recycled and used in products and

materials that are certified within the company. The mark is also a registered trademark.

■Collaborative Partner Comments

OKAKEN

We've taken proactive steps to address environmental concerns by obtaining green management certifications and implementing eco-driving and modal shift practices. However, the global focus on environmental issues, including decarbonization and carbon neutrality, has intensified.

We were looking for a new project that could contribute to environmental protection by leveraging our strengths. Under these circumstances, we were approached by Gunze about this initiative.

We will use these cases as an opportunity to establish a system for recycling waste packaging, pallets, and corrugated cardboard materials generated in the transportation industry. We have worked with your company to develop this initiative, and we know that a future logistics solution must include a triangular transportation system. This system must have arterial and venous logistics connecting production, consumption and recycling. We are committed to promoting the business of recycling, using our expertise as a logistics company to shape the future of the planet. We are committed to making a meaningful impact on environmental issues. As your partner, we will work on various issues.

MATSUDA

MATSUDA is working to solve waste-related issues. Its management philosophy is "eliminating 'throw-away'." MATSUDA has successfully converted waste plastics into raw materials, but there have been issues with efficient transportation and manufacturing. By working together, we established a system for recycling resources. We will continue to develop environmentally friendly recycling initiatives.

CHU-PA

Gunze has been promoting the use of hangers made from recycled material (using plastic waste) for some time, and now we have the opportunity to participate in and help develop this very meaningful in-house "recycling" initiative. We will continue to work closely with our partner companies to ensure a stable supply. We will monitor global environmental issues like this one closely and be prepared for future developments.

■About Gunze and its apparel business

Gunze, founded in Kyoto in 1896, is a leading developer and manufacturer of medical devices, plastic films, engineering plastics, and apparel. Gunze employs more than 4,800 people in 10 countries worldwide.

The apparel business has had a substantial footprint domestic and overseas markets since its establishment in 1934.

Gunze Apparel pursues "Comfort Solutions for Life" in its apparel products because they are in direct contact with people's skin, and delivers products in which customers can truly feel comfortable.

The company supports comfortable living through innerwear, legwear and lifestyle wear that are close to our customers' daily lives.

*Apparel business website

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News

July 11, 2024
Gunze Limited

Gunze "GEOPLAS® HCX1 23 Micron", the Most Lightweight Shrink Film, Adopted for Beverage Shrink Label in DyDo DRINCO -New ways to reduce environmental impact with shrink film-

Osaka-Gunze Limited (Headquarters: Osaka, Japan, President: Toshiyasu Saguchi) [Tokyo:3002] is pleased to announce that it has launched "GEOPLAS® HCX1 23 micron", the lightest hybrid shrink film in Japan, which has now been adopted for use in PET bottled beverages sold by DyDo DRINCO.
Gunze continues to promote the use of Japan's lightest shrink film in the market and to increase the proportion of recycled materials, aiming to realize a recycling-oriented society by reducing the amount of plastic used and effectively utilizing resources.

■GEOPLAS® HCX1 23 micron has been adopted by DyDo DRINCO for PET beverage bottles.
This will be used for the production of "Luxury fragrance iced black tea" in July. There are also plans to expand this to "Luxury fragrance iced green tea".



(Left)Luxury fragrant iced black tea
(Right)Luxury fragrant iced green tea

■**About GEOPLAS® HCX1 23 Micron shrink film**

The product is a polystyrene/polyethylene terephthalate multilayer product using our unique multilayer oriented film technology. It is widely used worldwide as shrink labels for PET bottled beverages, food, cosmetics, home & personal care products and other products. The product has both polystyrene and polyethylene terephthalate advantages such as excellent shrink appearance, perforation suitability, heat resistance, content resistance and stiffness.

[Product features]

(1) Label weight: Lightest weight shrink film for automatic sleeve applicators in Japan (Approximately 10% lighter than the lightest conventional film).

*Gunze research.

(2) Shrinkability: Good shrinkability. Maximum shrink of 70%, suitable for complex-shaped bottles.

(3) Perforability: Good perforability and Easy to peel along the perforation line.

(4) Use of recycled materials: Approximately 1% of the printing waste generated by converters is recycled, and at least 5% of the raw materials are chemically recycled using the mass balance method.

■**About our resource recycling strategy**

Phase 1 In-house post-industrial recycling

Gunze has transformed its Moriyama Plant, which manufactures shrink film and other products, into a zero-emission plant that produces no plastic waste.

The Moriyama Plant is expected to achieve zero waste by the end of FY2024.

Phase 2 Off-site post-industrial recycling

The GEOPLAS® HCX1 now being offered contains film made from collected post-printing waste generated by our sister converting company, Gunze Packaging Systems. And the company intends to expand this initiative to other manufacturing facilities such as converters and PET bottled beverages in the near future.

Phase 3 Post-Consumer Recycling

The company will contribute to a resource-recycling society by collecting post-consumer labels from the market and using them as raw materials for film production.

■**Marketing Strategy**

The company will gradually increase the recycling rate, aiming to achieve 100% recycling rate by 2030. The company will also expand our thick product line and promote its development in the food and toiletries markets.

■**About Gunze Plastic Film Business**

Gunze, founded in Kyoto in 1896, is a leading developer and manufacturer of plastic films, engineering plastics, medical devices and apparel. Gunze employs more than 4,800 people in 10 countries worldwide.

The Plastic Film business, established in 1962, has a substantial footprint over 20 countries. It has three manufacturing facilities in Japan, and subsidiaries in the U.S., Vietnam and China. Gunze's mission will continue to be centered on advancing the quality of life by providing innovative products and solutions.

■**About DyDo DRINCO**

A leading Japanese beverage company, it offers a wide range of products focusing on coffee and

carbonated beverages under the brand message "Delicious for the mind and body". Since its establishment in 1975, the company has continued to provide high quality beverages and is best known for brands such as "Dydo Blend". The company is also committed to sustainable business practices and is actively involved in the development of environmentally friendly vending machines (LOVE the EARTH Venders), product development and the promotion of recycling.

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Financial Capital Strategy



Aim to Achieve VISION 2030 stage2 by Implementing Investment and Financial Strategies That Focus on the Cost of Capital and the Stock Price

Results of the VISION 2030 stage1 Financial Strategies

In FY2024, the final fiscal year of VISION 2030 stage1 (V30-1), Gunze reported that sales and profits had increased compared to the previous fiscal year.
Net sales stood at ¥137.1 billion, up 3.2% year on year.
Operating profit came to ¥7.9 billion, up ¥1.1 billion.
Ordinary profit totaled ¥8.1 billion, up ¥1.4 billion. Net profit was ¥6.2 billion, up ¥1.1 billion.
Net sales increased primarily due to the recovery of domestic demand in the field of plastic films, the growth of sales of products for office automation equipment and semiconductor-related products in the engineering plastics field, and the launch of new products and increased sales in China in the medical business.
Operating profit rose chiefly due to higher profits in the functional solutions and medical businesses, as well as improved profits in the sports club field as a result of structural reform, although profit in the apparel business declined due to decreased sales and increased costs, which included the effects of the weak yen.
However, Gunze did not meet its target operating profit of ¥10.0 billion for V30-1, and it also fell short of its initial fiscal year forecast, ¥9.0 billion.
Return on equity (ROE) stood at 5.3%, increasing 0.9 percentage points from the previous fiscal year, but falling short of the target (6.3%).

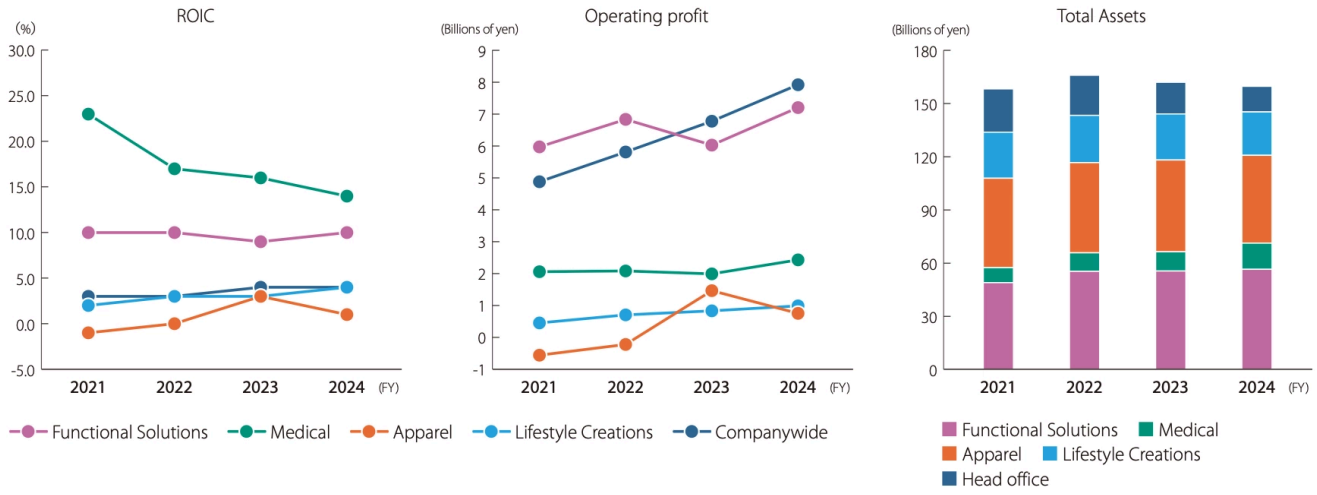
FY2025 Forecasts

Gunze forecasts that net sales and operating profit will rise to ¥140.0 billion (up 2.1% year on year) and ¥8.5 billion (an increase of ¥0.5 billion) in FY2025, respectively, chiefly due to the growth of the functional solutions and medical businesses. However, net profit is forecast to decrease to ¥2.8 billion (down ¥3.4 billion) due to anticipated extraordinary losses related to structural reforms.
In the functional solutions business, net sales are forecast to decline 3.3% year on year, primarily due to Gunze's exit from the electronic components field.
However, operating profit is projected to rise ¥0.8 billion compared to the previous year.
This expected growth is largely attributed to the establishment of a resource recycling model centered around the Circular Factory™ (a resource recycling facility) in the field of plastics, the introduction of new environmentally friendly products to the market, and the expansion of the Konan Plant in the engineering plastics business to meet the increasing demand in the medical and semiconductor markets.
In the medical business, net sales are projected to grow 20.5% year on year, driven by the global sales of artificial dermis, Bioabsorbable reinforcement felts and bone fixation devices and an increase in sales of Absorbable adhesion barrier sheet in the domestic market.
Operating profit is expected to rise slightly, ¥70 million year on year, reflecting depreciation expenses related to new plants.
In the apparel business, FY2025 and FY2026 are designated as a period for structural reform.
As the business will be focused on implementing revitalization initiatives, net sales are forecast to increase only slightly, and operating profit is projected to decline ¥0.3 billion.
In the lifestyle creations business, net sales are expected to increase 10% year on year, and operating profit is projected to rise ¥0.2 billion, primarily due to the expanding school business in the sports club field.
Net profit is projected to decrease.
We will implement the financial strategies described below to make FY2025 a year for establishing the foundation needed to achieve the targets set in VISION 2030 stage2 (V30-2).

GVA / ROIC

Gunze Value Added (GVA; net operating profit after tax + dividend income - invested capital × WACC) in FY2024 was negative ¥0.9 billion.
This is an improvement of ¥0.7 billion compared to the previous fiscal year, but it falls ¥0.7 billion short of the target.
Gunze's goal was to move GVA into positive territory during the V30-1 period, but it was unable to achieve this goal.
However, the effect of the Group-wide efforts to convert assets into higher-yield assets and enhance return on invested capital (ROIC) are increasingly evident.
The Group's total assets increased slightly, ¥1.5 billion greater than in the benchmark FY2021.
While the Group reformed its structure to reduce low-profit assets, including the sale of cross-shareholdings and the discontinuation of unprofitable businesses, the total assets of the growth-driving medical business and the functional solutions business, which is contributing to the increase of profits, increased ¥13.8 billion.
Consequently, the assets in these two businesses rose to 45% of the Group's total assets.
The ROIC for the Group as a whole in FY2024 was 4.3%, a 1.6-percentage-point improvement over FY2021.
Looking at ROIC by segment, the ROIC of the functional solutions business remained in the 10% range.
While invested capital increased significantly due to investments in the construction of the Circular Factory in the plastics field and the expansion of plants in the engineering plastics field, operating profit also increased.
The ROIC of the medical business in FY2024 was in the 14% range due to active investments, primarily in the expansion of plants.
ROIC is expected to rise to 25% in FY2027.
The ROIC of the apparel business in FY2024 was in the 1% range.
It is planned to increase the business's ROIC to the 5% range in FY2027 following the structural reforms planned in FY2025 and FY2026.
Lastly, the ROIC of the lifestyle creations business improved to 3.8%, chiefly due to the structural reform of the sports club field.
In the V30-2 period, the continued structural reform is planned, including the reduction of low-yield and low-growth assets, to enhance the Group's returns on capital.

Change in ROIC, Operating Profit, and Total Assets



VISION 2030 stage2 Financial Strategies

The Company's stock price increased approximately 40% during the V30-1 period, but the PBR remains below 1. It is still below the Company's liquidation value. We believe the primary reason for this is that, despite our steady progress in increasing profits and improving asset efficiency, our return on equity (ROE) has fallen short of shareholders and investors' expectations regarding the cost of equity capital.

The Company has estimated the cost of equity capital for the V30-2 period to be between 7.2% to 7.8%. This estimate is based on the capital asset pricing model (CAPM) and investors' expectations of ROE, which the Company has determined through communication with them.

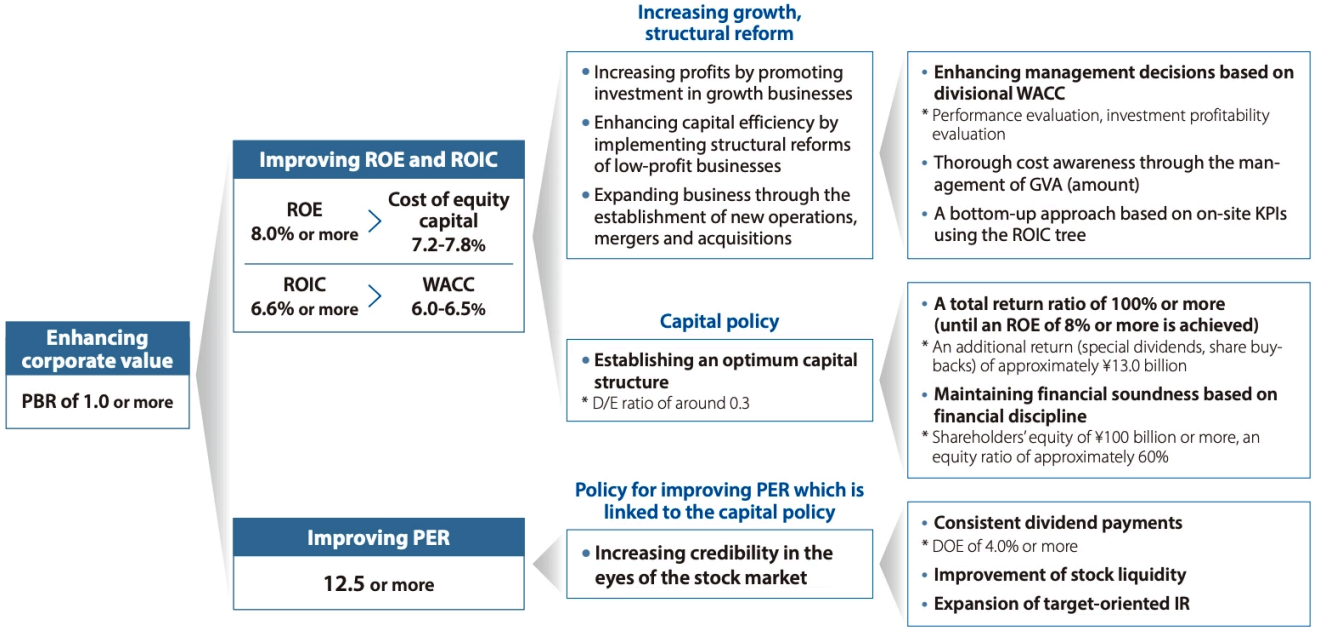
The Company has established a consolidated ROE target of 8% or higher based on this estimate.

To meet this ROE target, the Company will enhance its management using GVA and ROIC.

For example, the Company enhanced its management using a GVA and ROIC tree during the development of V30-2.

Through the on-site KPI management using this method, the Company will monitor the progress of plans, identify issues, develop and implement effective measures to address the issues, and achieve capital profitability that exceeds the divisional WACC and target ROIC.

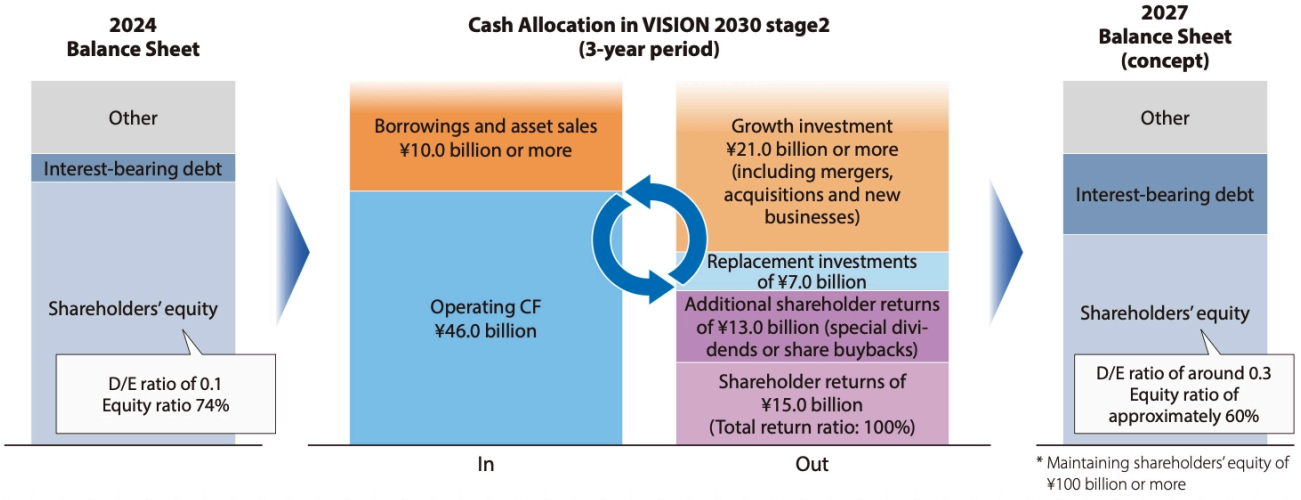
V30-2 Financial Strategy Summary



Establishing an Optimum Capital Structure

Gunze believes that it must optimize its capital structure to increase its consolidated return on equity.
The Company has decided to develop a capital structure that emphasizes maximizing returns on capital and ensuring financial soundness (maintaining external ratings).
Gunze emphasizes maintaining its external ratings because it is considering raising substantial capital in Japan, including refinancing, in and after FY2025.
In a world with interest rates, we believe that maintaining external ratings is crucial to keeping funding costs low.
Based on financial simulations, Gunze has determined that its optimal capital structure for V30-2 is shareholders' equity of ¥100 billion or more and an equity ratio of approximately 60%.
We estimate that the debt-equity ratio for this capital structure will be approximately 0.3, and the WACC will be 6%-6.5%. We expect that by achieving the profit targets of V30-2, our ROIC spread will be positive.
Gunze believes that any capital above this level should be returned to shareholders and investors, and it has decided to aim for a total return ratio exceeding 100%.
Currently, the Company estimates that it will return approximately ¥28 billion to shareholders during the V30-2 period, funded by net cash from operating activities.
We expect that replacement investments will be kept within net cash from operating activities and plan to increase financial leverage by raising funds for growth investments from external sources.

Cash Allocation in V30-2 to Establish an Optimal Capital Structure

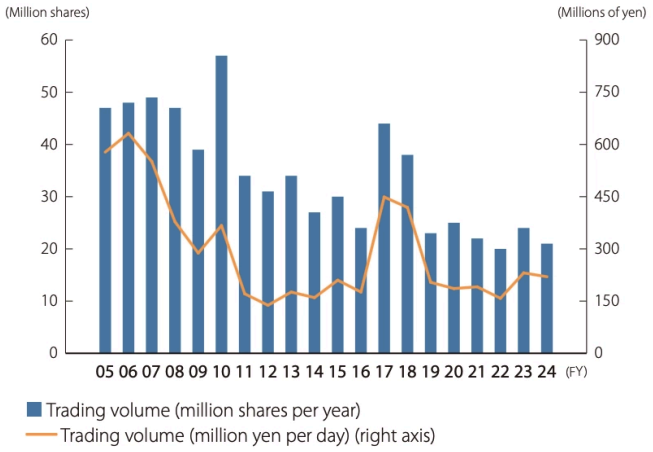


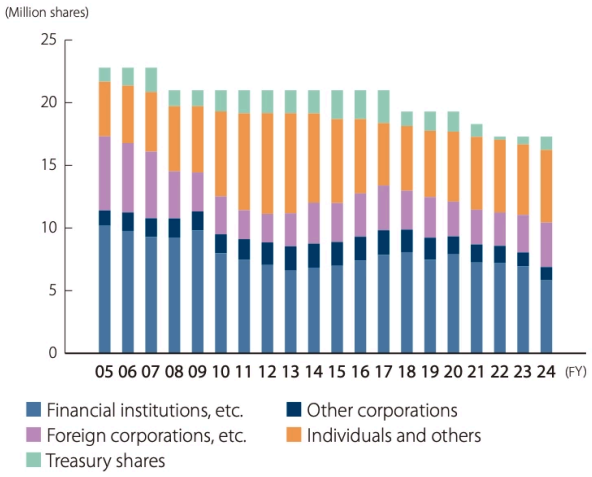
Improving Stock Liquidity

To enhance management's focus on the stock price, Gunze analyzed its stock performance over the past 20 years during the development of V30-2.
The average daily trading volume of our shares has declined in recent years to around 50% of what it was during the peak years from FY2005 to FY2007.
We believe that institutional investors are now less likely to trade the stock.
We analyzed the factors contributing to the decline in liquidity and identified the following trends: (1) the number of shares in circulation has decreased due to share buybacks and cancellations; (2) there has been a noticeable decline in new individual shareholders; and (3) the current shareholders evidently tend to hold their shares for longer periods.
We believe that even if return on capital increases, the stock price may not rise as expected unless the liquidity of the stock improves.
Gunze has thus identified increasing the liquidity of its stock as a priority in V30-2 and considered specific measures to improve this issue.
First, the Company aims to stimulate trading, focusing on individual investors.
We executed a stock split on April 1, 2025, and revised our shareholder benefits program.
In response to feedback from shareholders and investors and social trends, we have changed our dividend standard, increasing the dividend on equity ratio (DOE) from 2.2% or more to 4.0% or more. In V30-2, the Company plans to achieve a total return ratio of 100% or more.
In consideration of the liquidity of its stock, Gunze aims to increase the percentage of its shareholder returns that take the form of dividends.
When the trading volume increases and stabilizes, we will create new opportunities to engage in dialogue with investors, such as small meetings and information sessions, to encourage domestic and international institutional investors to trade the

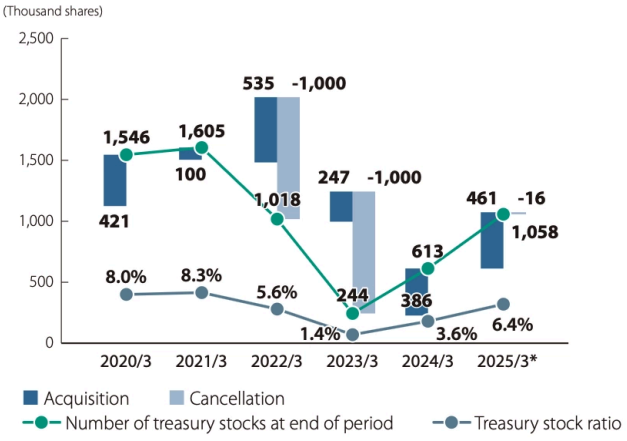
Company's stock.
Through these initiatives, Gunze aims to enhance its return on capital and PER, ensuring that its PBR consistently exceeds 1 as quickly as possible.

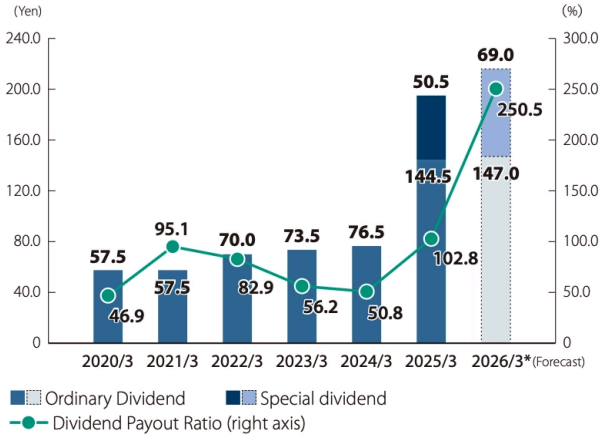
Change in the Trading Volume of the Company's Stock, and in the Company's Shareholder Composition





Treasury Stock, and Dividend per Share, Dividend Payout Ratio





* The figures in the Change in Dividend per Share, Dividend Payout Ratio graph were calculated assuming the stock split had already been executed before the year in question.
(The Company conducted a two-for-one stock split on April 1, 2025.) The figures for the other graphs are calculated based on the number of shares before the stock split.

Investor Relations

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Management Policy
Financial Information
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Consolidated Financial Statements
To our individual Investors
IR Support
Integrated Report

Investor Relations TOP

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Personal Information Protection

Privacy Policy

This Privacy Policy stipulates our basic stance and guidelines for handing personal information that is collected and used by Gunze Limited (hereinafter referred to as "Gunze").

1. Acquisition of Personal Information

(1) Gunze clearly specifies the purposes of use and collects personal information by lawful and fair means.

2. Use of Personal Information

(1) Gunze shall use personal information within the scope of its purposes of use and to the extent necessary to conduct its business.

(2) Gunze may share personal information with its business partners or group companies, or outsource the handling of personal information. In these cases, Gunze shall manage such personal information in a responsible manner and take appropriate measures to maintain confidentiality.

(3) Gunze will not supply or disclose personal information to any third party except when it is required to do so by a legal order, and when the relevant individual has granted consent in advance.

3. Management of Personal Information

(1) Gunze shall maintain the accuracy of personal information and manage it safely.

(2) Gunze shall appoint personal information managers to ensure appropriate management of personal information.

(3) Gunze shall take appropriate security measures to avoid unauthorized access and computer viruses, and to prevent loss, destruction, falsification, and/or leakage of personal information.

4. Requests for Disclosure, Amendments, etc. of Personal Information

(1) Gunze will respond to requests from individuals for disclosure of personal information collected and owned by Gunze without delay.

(2) Gunze will carry out investigations without delay if requested by individuals for amendments, suspension of use, and/or deletions to the content of the personal information, and respond to such requests in accordance with applicable laws and regulations.

5. Continuous Improvement of Privacy Compliance

(1) Gunze shall ensure proper handling of personal information by training its executives, employees, and relevant staff regarding protection and management of personal information.

(2) Gunze shall review its compliance measures and improve them continuously in order to maintain the proper protection of personal information.

December 2010
GUNZE LIMITED

Privacy Policy

Privacy Policy

Website Privacy Policy

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Information Disclosure Policy

1. Basic policy for information disclosure

- In accordance with Gunze Activity Guidelines, Gunze proactively strives to fulfill its corporate social responsibilities (CSR), while also aiming to become a corporate group that fulfills the needs of society and that grows sustainably alongside society. To this end, Gunze is determined to provide shareholders, potential investors, and all other stakeholders with its corporate information in an appropriate and timely manner.
  ・Gunze ensures timely and appropriate disclosure of its corporate information in conformance with the Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities (the Timely Disclosure Rules) stipulated by the Tokyo Stock Exchange (TSE).
- Gunze also proactively offers information that the Company deems appropriate for release, so as to strengthen investors' understanding of the Company ("information requiring proactive disclosure") even if it is not subject to the criteria of TSE's Timely Disclosure Rules.

2. Information disclosure method

- While ensuring compliance with the Companies Act, Financial Instruments and Exchange Act, and other applicable laws and regulations, as well as rules established by TSE, Gunze releases corporate information that is subject to the Timely Disclosure Rules (including information requiring proactive disclosure) through TSE's TDnet system in an appropriate and timely manner. Information publicly released on TDnet is posted on the Gunze website as promptly as possible.
- Based on the policy of timely disclosure, other information is also communicated through various means, such as press releases, financial results briefing sessions, and printed documents, in order to ensure distribution of information in as fair a manner as is possible.

3. In-house system for information disclosure

- At Gunze, the responsible personnel for handling information engages in unified management in order to ensure appropriate and timely management of information disclosure and provide strict internal control in conformance with the in-house Information Disclosure Rules. The responsible personnel for handling information evaluates the appropriateness of information to be disclosed and instructs disclosure of the information determined to be appropriate to the staff in charge. Based on the instruction, the staff takes measures to disclose information in an appropriate and timely manner.

4.Notes regarding the use of projections

- Gunze provides projections of future results based on timely disclosure of information, as well as our perceptions of market conditions, business plans, strategies, and other information on the Investor Relations page of the Gunze website. These

types of information are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. As such, various factors, both internal and external, can cause actual results to differ materially from the projections, and Gunze does not warrant or guarantee accuracy or completeness regarding this information.

5.Silent period

- In order to prevent the leakage of financial information and to ensure fairness in information disclosure, Gunze has specified a “silent period.” The period begins from the day following the closing date of each quarterly period, and ends on the release date of the quarterly consolidated financial statements. During this period, we will refrain from making any comments or responding to any questions concerning our business results for the relevant period.
- However, if we determine during the silent period that the results will differ from our forecast significantly, we will disclose the relevant information in an appropriate manner in conformance with TSE’s Timely Disclosure Rules.

(Last updated: November 28, 2016)

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Distribution of Profits and Dividends

Basic Policy on Dividends

Returning earnings to shareholders in a stable and continuous manner is one of the most important management policies at the Company. We will provide a dividend with a target dividend on equity ratio (DOE) at 4.0% or over. In addition, in pursuit of sustainable enhancement of our corporate value, we will flexibly carry out shareholder return (special dividends / share buybacks) with a payout ratio exceeding 100% until our consolidated ROE becomes 8% or higher.
The Company's basic policy is to pay a year-end dividend of surplus once a year. The decision-making body for the distribution of surplus is the general meeting of shareholders. Under the policy on shareholder return that has been changed, the dividend for the current fiscal year was decided to be 216.0 yen per share, consisting of an ordinary dividend of 147.0 yen per share plus a special dividend of 69.0 yen per share.

Changes in Dividends per Share >

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Social Media Policy

Our Policies on Social Media

The following social media policy defines the attitudes and behaviors for using the Gunze group's official media accounts.

Gunze's Basic Policy

When using social media, employees of the Gunze Group shall comply with laws and regulations as well as the Gunze Group's Code of Conduct, and as responsible members of society shall discipline ourselves to ensure that our words and actions do not deviate from social common sense and shall strive to disseminate information in an appropriate manner.

GUNZE ACTIVITY GUIDELINES

Understanding Media Characteristics and Mindset for Social Media

Employees shall act responsibly with understanding of the followings for use of social media:

(1) Posted information can be accessed by an indeterminate number of users.
(2) Once information has been posted, it cannot be completely deleted.
(3) Comply with laws and regulations. In particular, copyrights, portrait rights, and other intellectual property rights of third parties shall not be infringed.
Do not damage the reputation of third parties through slander.

Request to Social Media Users

Information posted on social media, including our official accounts, is not necessarily equal to Gunze‘ s official announcement and does not represent Gunze’s official position.

Social Media Policy

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Annual | Quarter

Primary financial data (XLS:14KB)

Outlook

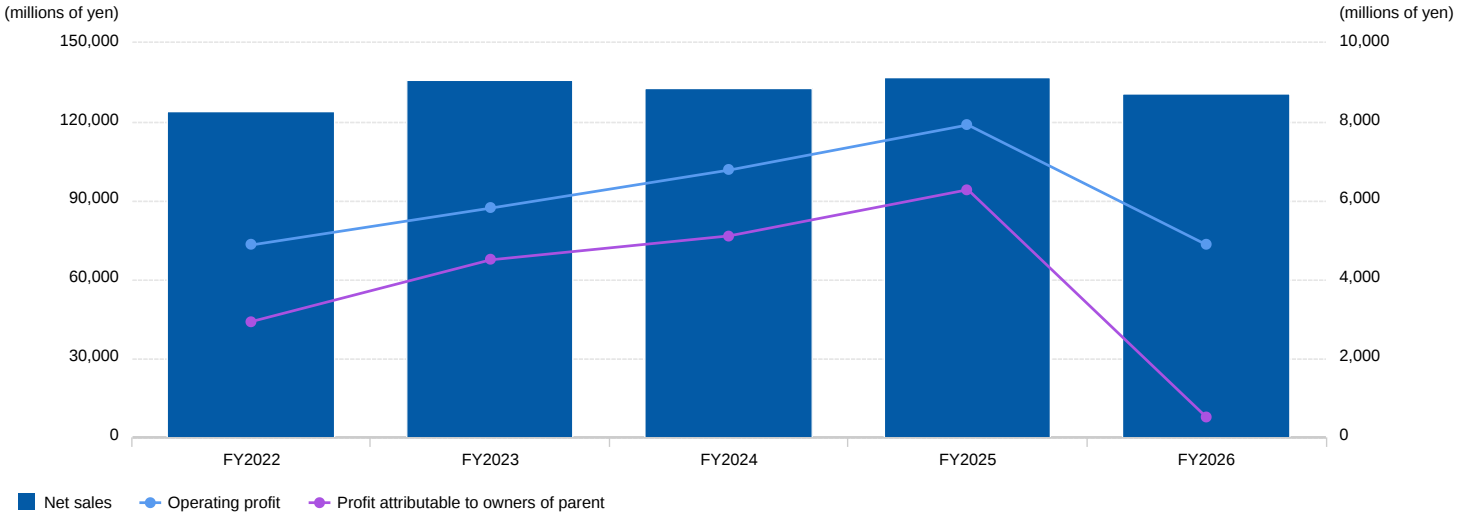
Forecast

May 14, 2026

Net sales	Operating profit	Profit attributable to owners of parent
132,000 millions of yen	8,800 millions of yen	5,200 millions of yen

Results

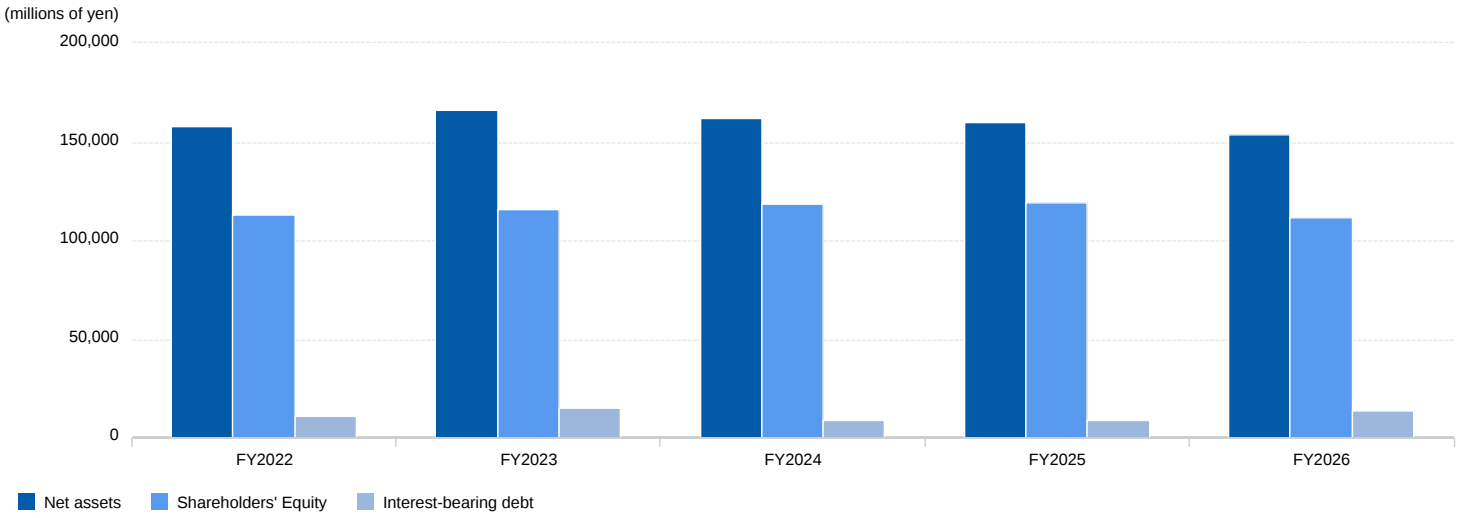
Profit and loss statement



(Unit: millions of yen)

	FY2022	FY2023	FY2024	FY2025	FY2026
Net sales	124,314	136,030	132,885	137,117	130,918
Operating profit	4,880	5,812	6,777	7,921	4,882
Profit attributable to owners of parent	2,939	4,501	5,109	6,279	509

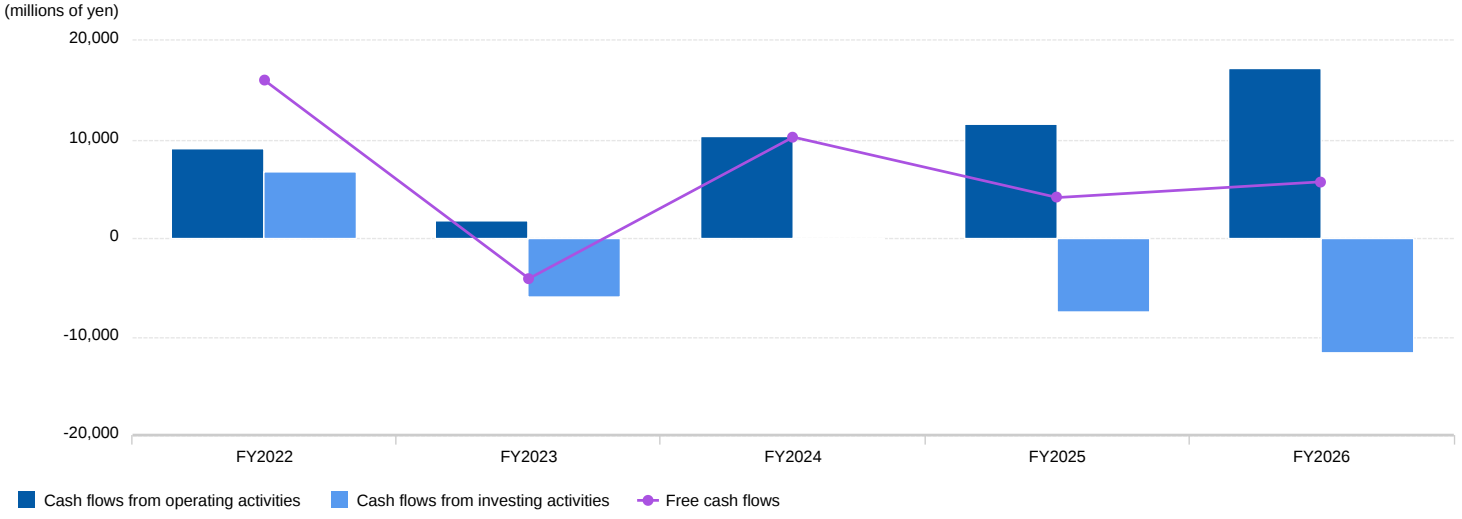
Balance sheet



(Unit: millions of yen)

	FY2022	FY2023	FY2024	FY2025	FY2026
Net assets	158,216	165,927	161,971	159,677	153,612
Shareholders' Equity	112,903	115,757	118,642	119,074	111,759
Interest-bearing debt	11,029	15,426	9,004	8,960	13,964

Cash flows

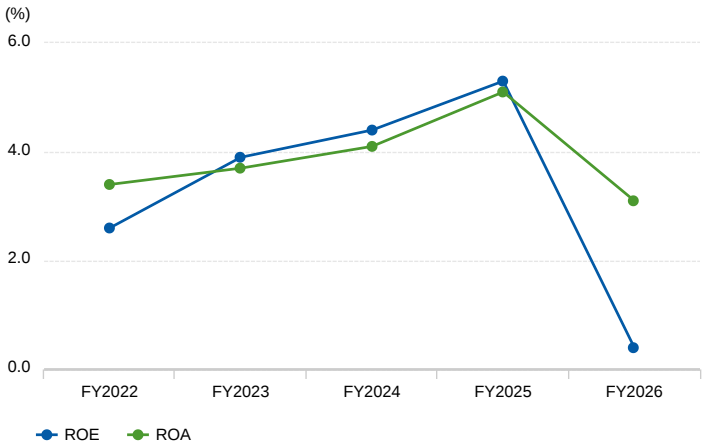


(Unit: millions of yen)

	FY2022	FY2023	FY2024	FY2025	FY2026
Cash flows from operating activities	9,155	1,794	10,409	11,572	17,271
Cash flows from investing activities	6,806	-5,920	-190	-7,485	-11,585
Free cash flows	15,961	-4,126	10,219	4,087	5,686

Main indicators

Profitability



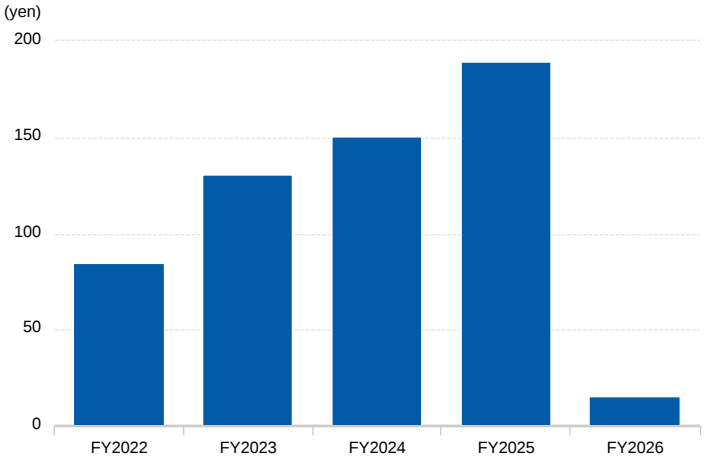


(Unit: %)

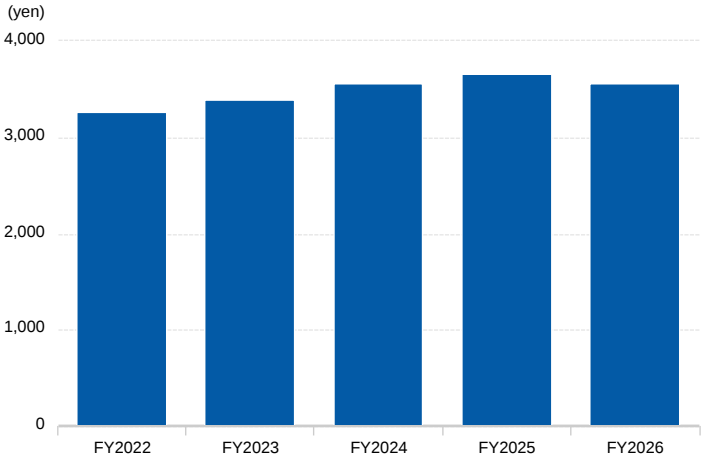
	FY2022	FY2023	FY2024	FY2025	FY2026
ROE	2.6	3.9	4.4	5.3	0.4
ROA	3.4	3.7	4.1	5.1	3.1
Operating profit ratio	3.9	4.3	5.1	5.8	3.7

Per share information

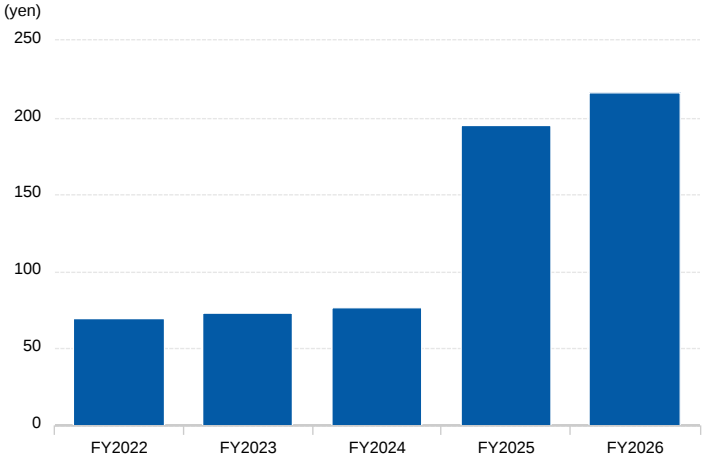
EPS



BPS



Dividend



(Unit: yen)

	FY2022	FY2023	FY2024	FY2025	FY2026
EPS	84.46	130.69	150.55	189.7	15.83
BPS	3,267.71	3,394.89	3,556.36	3,667.20	3,565.39
Dividend	70	73.5	76.5	195	216.0

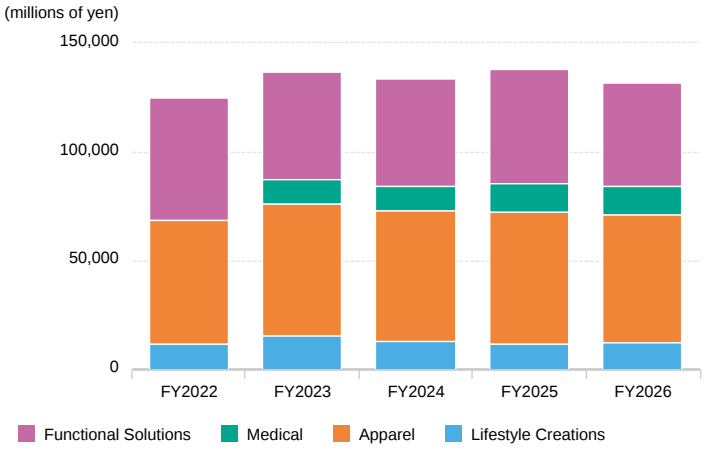
* EPS = (Profit attributable to owners of parent) / (Average number of common shares outstanding during the period - Average number of common shares in treasury during the period)

* BPS = Net assets at the end of the period / (Number of common shares outstanding at the end of the period - Number of common shares in treasury at the end of the period)

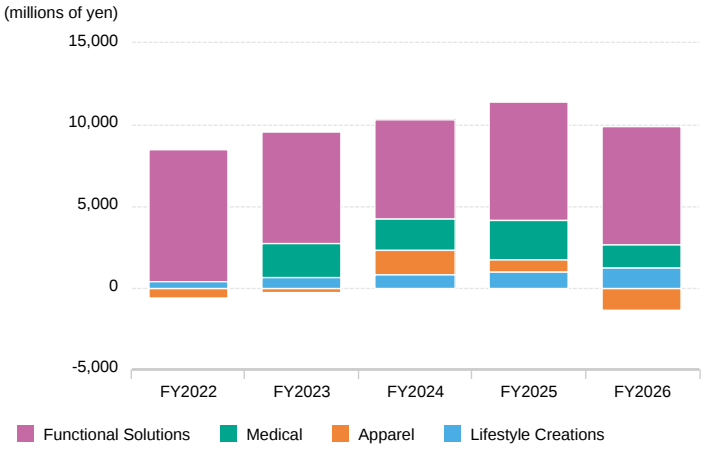
* A 1-for-10 reverse stock split was implemented on October 1, 2017. Subsequently, a two-for-one stock split of the ordinary shares will be carried out on April 1, 2025.
All per-share figures have been retrospectively adjusted to reflect the effects of both stock actions.

Segment information

Net sales by segment



Operating profit by segment



(Unit: millions of yen)

	FY2022	FY2023	FY2024	FY2025	FY2026
Net sales					
Functional Solutions	56,138	49,555	48,975	52,204	47,543
Medical	-	10,957	11,697	12,949	13,197
Apparel	57,197	60,986	60,114	60,782	58,597
Lifestyle Creations	11,576	15,327	12,826	12,005	12,530
Operating profit					
Functional Solutions	8,032	6,835	6,028	7,205	7,234
Medical	-	2,082	1,991	2,430	1,474
Apparel	-557	-222	1,465	753	-1,334
Lifestyle Creations	453	705	833	988	1,232

Disclaimer ›

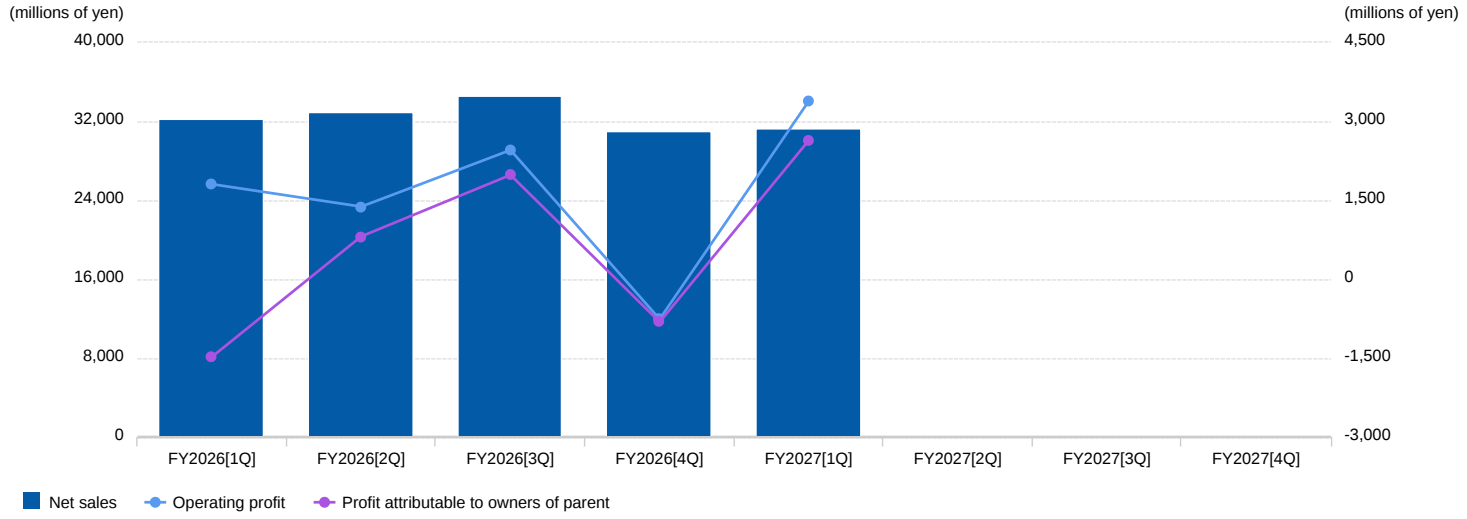
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Annual | **Quarter**

Primary financial data (XLS:14KB)

Results

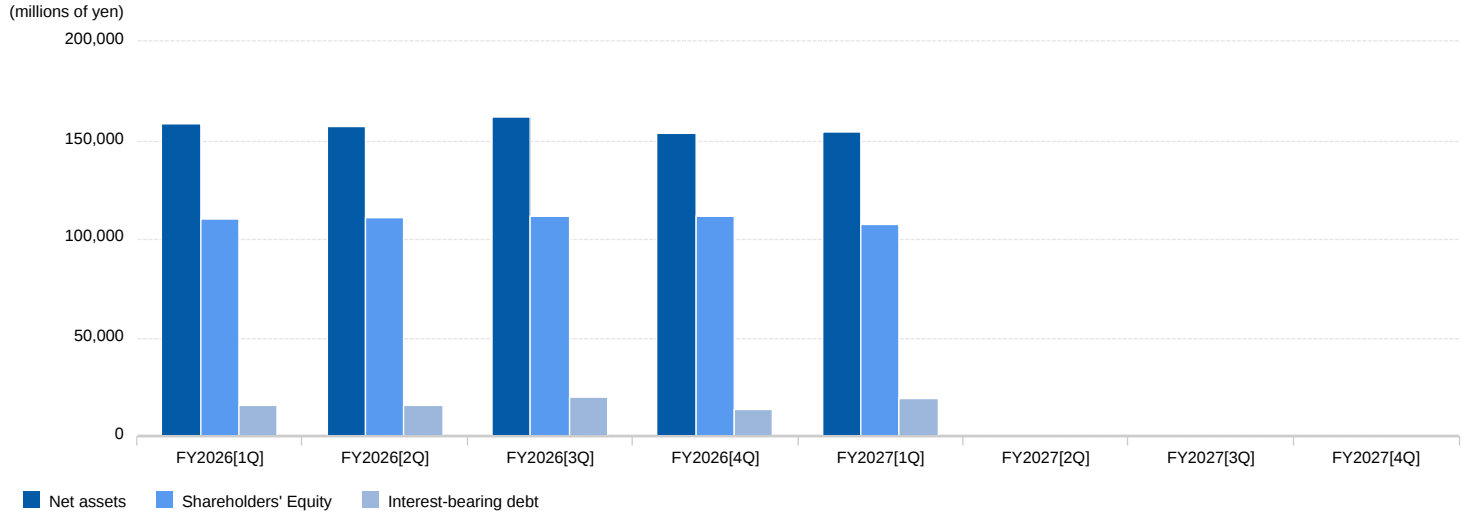
Profit and loss statement



(Unit: millions of yen)

	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
Net sales	32,240	33,029	34,573	31,074	31,367	-	-	-
Operating profit	1,806	1,380	2,455	-759	3,387	-	-	-
Profit attributable to owners of parent	-1,473	814	1,982	-814	2,640	-	-	-

Balance sheet

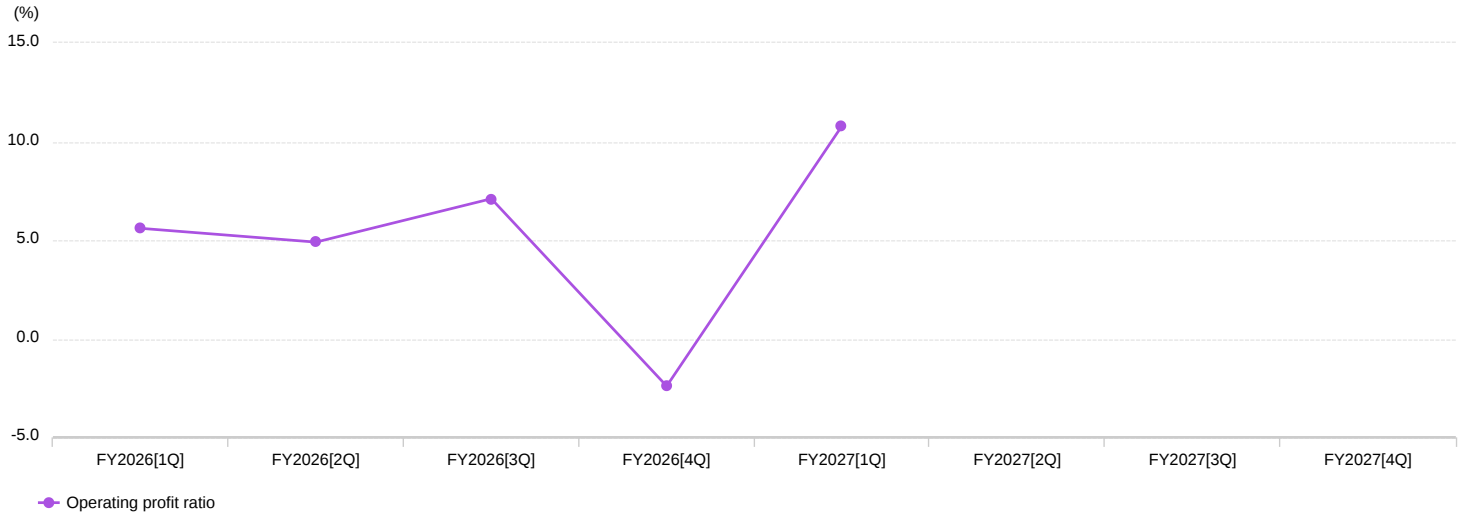


(Unit: millions of yen)

	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
Net assets	158,633	157,440	161,733	153,612	154,490	-	-	-
Shareholders' Equity	110,133	110,816	111,432	111,759	107,839	-	-	-
Interest-bearing debt	15,897	15,727	19,689	13,964	19,515	-	-	-

Main indicators

Operating profit ratio

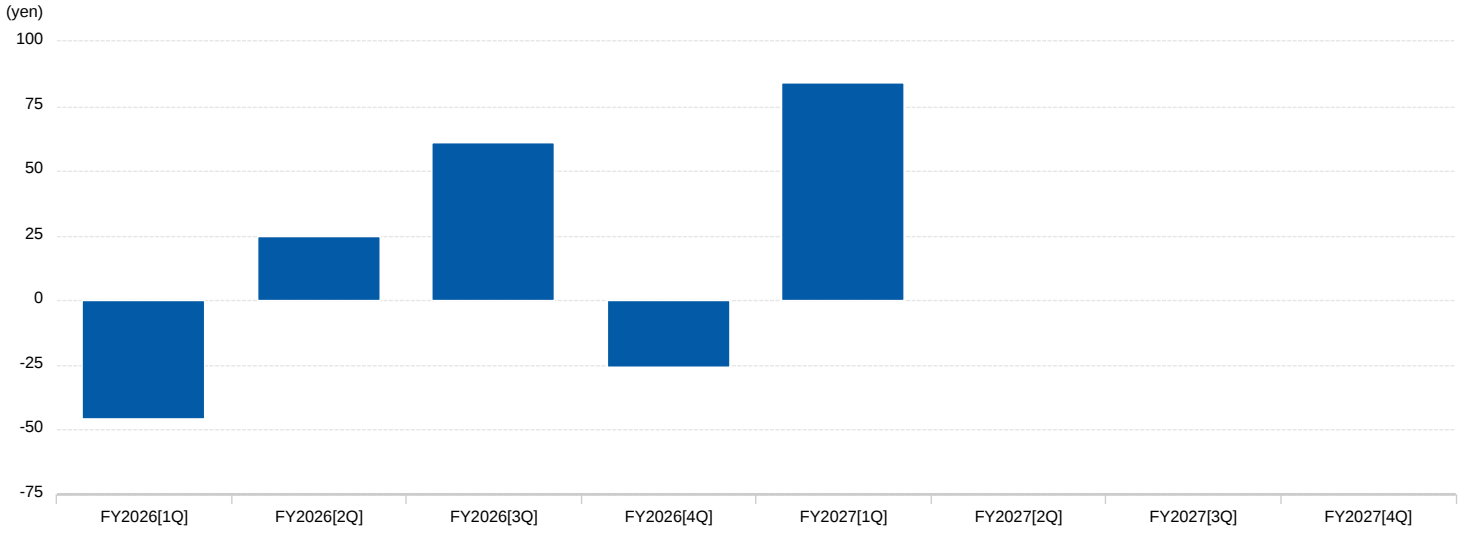


(Unit: %)

	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
Operating profit ratio	5.6	4.2	7.1	-2.4	10.8	-	-	-

Per share information

EPS



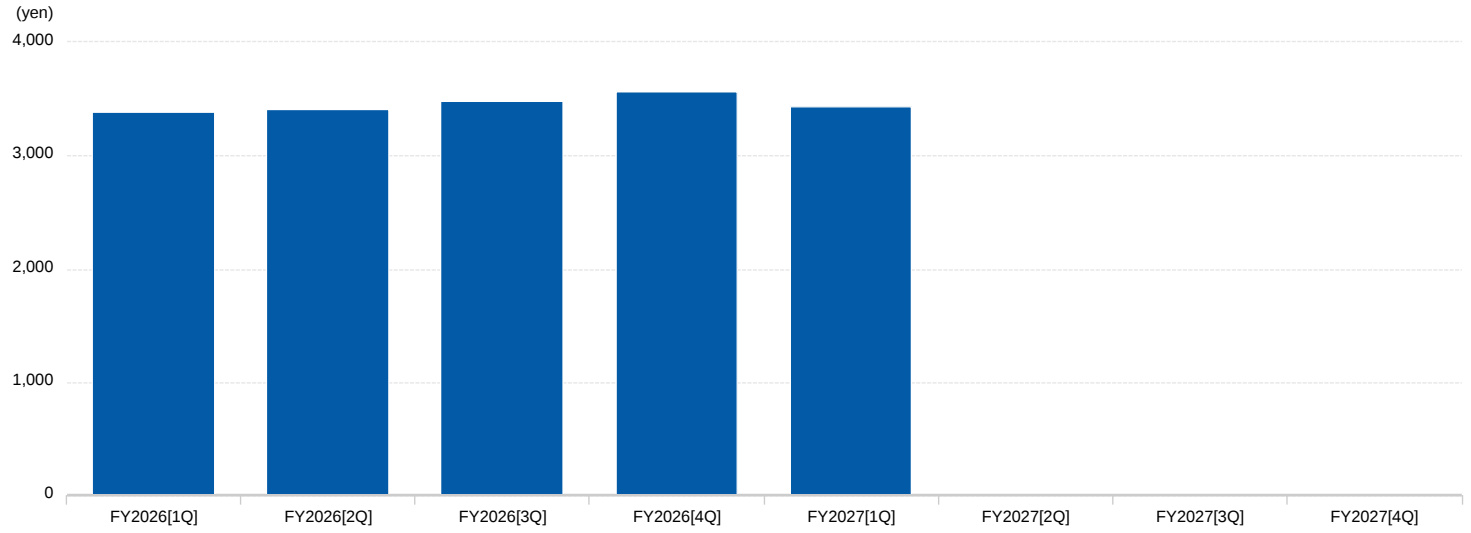
(Unit: yen)

	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
EPS	-45.37	25.08	61.35	-25.74	84.23	-	-	-

* EPS (Earnings Per Share) = Quarterly Profit Attributable to Owners of Parent / (Average Number of Common Shares Outstanding During the Period - Average Number of Common Shares in Treasury During the Period)

* A two-for-one stock split of the ordinary shares will be implemented on April 1,2025.
Prior year figures are also presented on a post-split basis.

BPS



(Unit: yen)

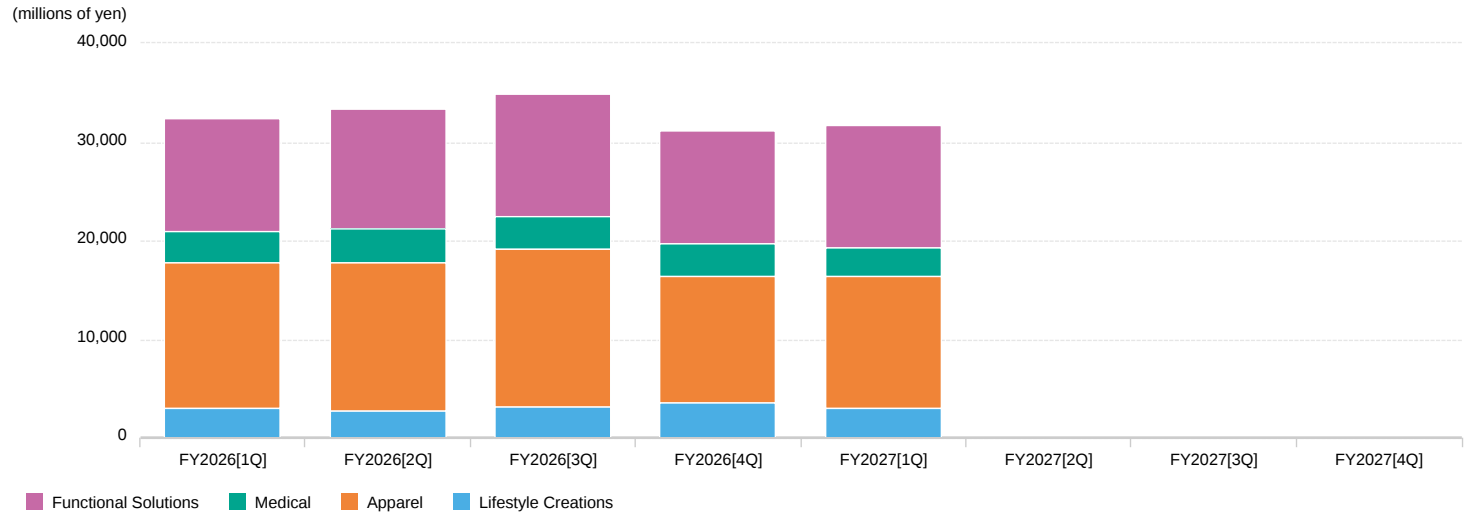
	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
BPS	3,391.85	3,410.34	3,482.98	3,565.39	3,440.20	-	-	-

* BPS = Net assets / (Average number of common shares outstanding during the period - Average number of common shares in treasury during the period)

* A two-for-one stock split of the ordinary shares will be implemented on April 1,2025.
Prior year figures are also presented on a post-split basis.

Segment information

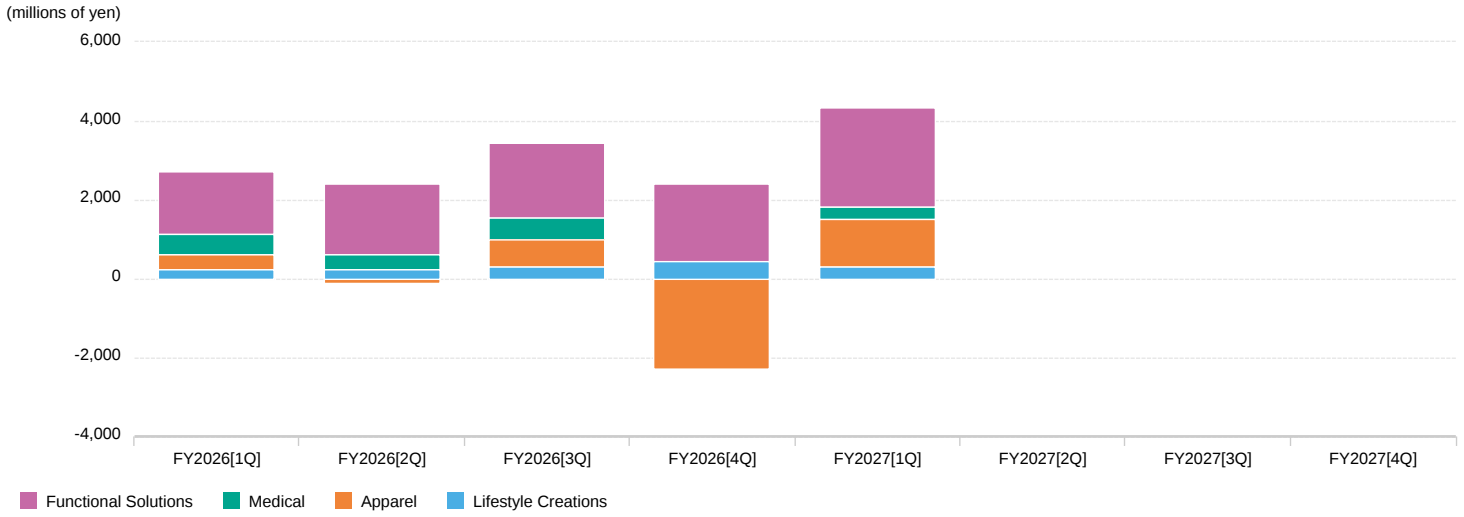
Net sales by segment



(Unit: millions of yen)

	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
Functional Solutions	11,515	12,152	12,444	11,431	12,354	-	-	-
Medical	3,145	3,335	3,353	3,363	2,925	-	-	-
Apparel	14,763	15,021	15,966	12,845	13,321	-	-	-
Lifestyle Creations	3,018	2,819	3,156	3,535	3,056	-	-	-

Operating profit by segment



(Unit: millions of yen)

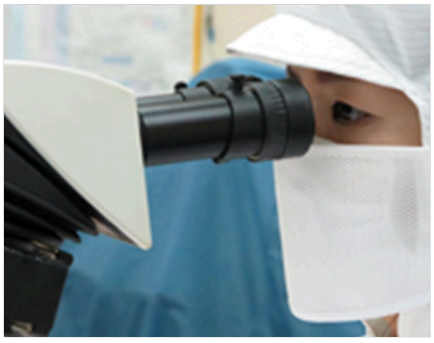
	FY2026[1Q]	FY2026[2Q]	FY2026[3Q]	FY2026[4Q]	FY2027[1Q]	FY2027[2Q]	FY2027[3Q]	FY2027[4Q]
Functional Solutions	1,582	1,764	1,908	1,978	2,526	-	-	-
Medical	540	407	549	-23	315	-	-	-
Apparel	363	-113	682	-2,265	1,185	-	-	-
Lifestyle Creations	246	228	305	451	321	-	-	-

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Research & Development



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