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January 21, 2026

To whom it may concern

Company Name	GUNZE LIMITED
Name of Representative	Toshiyasu Saguchi President and Representative Director (Code: 3002, TSE Prime)
Head Office	2-5-25 Umeda, Kita-ku, Osaka-shi
Contact:	Junko Nakashima Corporate Officer, General Manager, Corporate (TEL. +81-6-6348-1314)

Notice Concerning Absorption-Type Merger of Wholly Owned Subsidiary (Simplified Merger and Short Form Merger)

GUNZE LIMITED (the "Company"), has resolved at a meeting of its Board of Directors held today to carry out an absorption-type merger (the "Merger") with SEESAY Co., Ltd. ("SEESAY"), a wholly-owned subsidiary of the Company, with April 1, 2026 as the effective date. Details are as follows.

Since the Merger is a simplified absorption-type merger involving a wholly-owned subsidiary, some disclosure items and details are omitted.

1. Purpose of the Merger

The Company is pursuing structural reforms in its apparel business and has decided to merge with SEESAY, which is engaged in the apparel product planning and sales business, in order to further improve the efficiency of group management.

2. Outline of the merger

(1) Schedule of the Merger

Date of resolution of the Board of Directors	January 21, 2026
Date of execution of the Merger Agreement	January 21, 2026
Scheduled effective date of the merger (effective date)	April 1, 2026 (scheduled)

* Since the Merger is a simplified merger pursuant to Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger for SEESAY pursuant to Article 784, Paragraph 1 of the Companies Act, no general meeting of shareholders will be held to approve the merger agreement. Although SEESAY has an excess of liabilities, the Company has recorded an allowance for doubtful accounts equivalent to the excess of liabilities, and the Company has determined that there will be no merger loss due to the reversal of the allowance at the time of the Merger, and will implement a simplified merger.

(2) Method of Merger

SEESAY will be dissolved as a result of an absorption-type merger with the Company as the surviving company.

(3) Details of allotment in the merger

Since the Merger is a merger with a wholly-owned subsidiary of the Company, no shares or other assets will be allotted as a result of the Merger.

(4) Handling of Share Acquisition Rights and Bonds with Share Acquisition Rights of Dissolving Company

There are no applicable matters because the dissolving company has not issued stock acquisition rights or bonds with stock acquisition rights.

3. Overview of the companies involved in the merger

	Surviving Company	Dissolving Company
(1) Name	GUNZE LIMITED	SEESAY Co., Ltd.
(2) Address	1 Aonocho Zeze, Ayabe-city, Kyoto	HERBIS OSAKA Office Tower, 5-25, Umeda 2-chome, Kita-ku, Osaka-shi
(3) Title and name of representative	President and Representative Director Toshiyasu Saguchi	Representative Director Yoichi Okuda
(4) Description of business	Manufacture, processing and sales of clothing, plastic products, medical devices, etc.	Planning, manufacturing, sales of clothing, etc.
(5) Share capital	26,071 million yen	50 million yen
(6) Date of Establishment	August 10, 1896	November 1, 2023
(7) Number of issued shares	34,587,032 shares	500 shares
(8) Fiscal Year End	March 31	March 31
(9) Major shareholders and ownership ratios (As of September 30, 2025)	The Master Trust Bank of Japan, Ltd. (Trust Account) 13.41% The Custody Bank of Japan, Ltd. (Trust Account) 7.48% The Bank of Kyoto, Ltd. 3.08% Gunze Group Employee Shareholding Association 3.04%	GUNZE LIMITED 100%
(10) Financial Position and Operating Results for the Previous Fiscal Year		
Fiscal Year End	FY 2025 ended March 31, 2025 (Consolidated)	FY 2025 ended March 31, 2025 (Non-consolidated)
Net assets	120,982 million yen	(44 million yen)
Total assets	159,677 million yen	50 million yen
Net assets per share	3,667.20 yen	(89,238.84 yen)
Net sales	137,117 million yen	38 million yen
Operating profit (loss)	7,921 million yen	(87 million yen)
Ordinary profit (loss)	8.18 billion yen	(87 million yen)
Profit (loss) attributable to owners of parent	6,279 million yen	(69 million yen)
Profit (loss) per share	189.70 yen	(139,572.01 yen)

(Note) The surviving company conducted a two-for-one stock split on April 1, 2025.

"Net assets per share" and "Profit per share" are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2025.

4. Post-merger situation

As a result of the Merger, there will be no changes to the Company's name, address, title and name of representative, business, share capital and fiscal year end.

5. Future Outlook

The impact of the Merger on the Company's consolidated financial results is immaterial.