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November 5, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: GUNZE LIMITED
Listing: Tokyo Stock Exchange
Securities code: 3002
URL: https://www.gunze.co.jp/
Representative: Takahiro Oka President and Representative Director
Inquiries: Junko Nakashima Corporate Officer, General Manager, Corporate
Telephone: +81-6-6348-1314

Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	64,082	(1.8)	5,778	81.3	5,843	82.3	4,317	-
September 30, 2025	65,270	(3.1)	3,186	(10.7)	3,205	(12.6)	(658)	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 4,765 million [-%]
For the six months ended September 30, 2025: ¥ (1,758) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	137.69	137.45
September 30, 2025	(20.27)	-

Notes: Diluted earnings per share for the Six months ended September 30, 2025 are not shown because basic earnings per share were negative although there were residual shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	153,973	111,789	71.3	3,499.41
March 31, 2026	153,612	113,746	72.8	3,565.39

Reference: Equity
As of September 30, 2026: ¥ 109,769 million
As of March 31, 2026: ¥ 111,756 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	-	-	216.00	216.00
Fiscal year ending March 31, 2027	-	-			
Fiscal year ending March 31, 2027 (Forecast)			-	216.00	216.00

Note: 1. Revisions to the forecast of cash dividends most recently announced: None

2. Breakdown of the year-end dividend for the fiscal year ending March 31, 2026 :
Ordinary dividend: 147.00 yen; Special dividend: 69.00 yen
Breakdown of the year-end dividend for the fiscal year ending March 31, 2027 (Forecast):
Ordinary dividend: 147.00 yen; Special dividend: 69.00 yen

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	132,000	0.8	8,800	80.3	8,400	70.7	5,200	921.6	165.82

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies( )

Excluded: 1 company(Gunze China Ltd.)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	31,587,032 shares
As of March 31, 2026	31,587,032 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	219,017 shares
As of March 31, 2026	242,076 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	31,352,643 shares
Six months ended September 30, 2025	32,477,648 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Attachment)

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1. Qualitative Information on Semi-annual Financial Results for the Period under Review

(1) Explanation of Business Results

(Overview of Results for the Period under Review)

During the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026), the Japanese economy was on a moderate recovery trend, with signs of improvement in corporate earnings and employment conditions. On the other hand, consumer prices continued to rise against the backdrop of factors including the impact of the situation in the Middle East.

To continue to be the company of choice globally by advancing a sustainable business foundation, the GUNZE Group has defined the period of its medium-term management plan "VISION 2030 Stage 2," as "three years for transformation." In the second year of the plan, it is advancing its efforts to strengthen and expand the functional solutions business and medical business, and restructure the apparel business and lifestyle creations business.

The GUNZE Group's operating results for the period under review are as follows:

Net sales:	¥64,082 million	(down by 1.8% year-on-year)
Operating profit:	¥5,778 million	(up by 81.3% year-on-year)
Ordinary profit:	¥5,843 million	(up by 82.3% year-on-year)
Profit attributable to owners of parent:	¥4,317 million	(loss attributable to owners of parent of ¥658 million for the same period of the previous fiscal year)

Net sales decreased by ¥1,187 million attributable to the impact of a decline in apparel sales, although sales of plastic films remained strong.

Operating profit increased by ¥2,592 million due to the positive impact on profit from the time lag between changes in selling prices and material prices in plastic films, improved profitability in the overseas business, and strong progress in the business structural reforms of the apparel business, and ordinary profit increased by ¥2,638 million. In addition, profit attributable to owners of parent increased by ¥4,975 million, mainly due to the impact of the business restructuring expenses recorded in the apparel business in the previous fiscal year.

(Results by Business Segment)

[Functional Solutions]

The functional solutions business recorded net sales of ¥26,108 million (up by 10.3% year-on-year) and an operating profit of ¥5,249 million (up by 56.9% year-on-year).

<Major factors in the changes>

- In plastic films, sales performed well, supported by the positive impact on profit from the time lag between changes in selling prices and material prices, improved profitability in the overseas business, and improvements in product costs in Japan and overseas.
- In engineering plastics, sales performed strongly, supported by growing semiconductor-related demand.

[Medical]

The medical business recorded net sales of ¥6,140 million (down by 5.3% year-on-year) and an operating profit of ¥709 million (down by 25.2% year-on-year).

<Major factors in the changes>

- Amid intense competition in the medical market, sales of adhesion prevention agent and absorbable medical materials including bone fixation devices performed strongly in Japan, but were affected by the downsizing of the medical laser business.
- Sales of products in China continue to be affected by the restrained purchase of products resulting from medical cost-containment policies.

[Apparel]

The apparel business recorded net sales of ¥26,745 million (down by 10.2% year-on-year) and an operating profit of ¥1,143 million (up by 358.6% year-on-year).

<Major factors in the changes>

- Profitability improved mainly due to the consolidation of production and logistics bases and the streamlining of indirect operations, in addition to the strategy to focus on specific areas, including brand consolidation and price revisions.
- Sales through mass retailers were affected by a decrease in retail floor space in addition to sluggish consumer spending.
- In the D-to-C route, while sales of *Asedoron* performed strongly, the sales amount decreased slightly year on year due primarily to a review of sales promotion measures. However, profitability improved.

[Lifestyle Creations]

The lifestyle creation business recorded net sales of ¥5,902 million (up by 1.1% year-on-year) and an operating profit of ¥606 million (up by 27.7% year-on-year).

<Major factors in the changes>

- The real estate category performed well, as the number of visitors increased due to the effects of commercial facility renovations.
- The sports club business improved its operating profit due to growth in sales at existing stores and the effects of cost reductions, including the reduction of unprofitable stores.

(2) Explanation of Financial Position

As of September 30, 2026, total assets were ¥153,973 million, an increase of ¥360 million compared to the end of the previous fiscal year. The main components of the increase included a ¥1,604 million increase in notes and accounts receivable - trade, and contract assets, while the main components of the decrease included a ¥1,266 million decrease in merchandise and finished goods.

Total liabilities were ¥42,183 million, an increase of ¥2,317 million compared to the end of the previous fiscal year. The main components of the increase included a ¥1,549 million increase in long- and short-term borrowings including commercial papers and a ¥952 million increase in income taxes payable.

Net assets were ¥111,789 million, a decrease of ¥1,956 million compared to the end of the previous fiscal year. The main components of the increase included the recording of profit attributable to owners of parent amounting to ¥4,317 million, while the main components of the decrease included dividends paid of ¥6,770 million.

(Cash Flows)

As of September 30, 2026, consolidated cash and cash equivalents were ¥9,338 million, a decrease of ¥598 million compared to the end of the previous fiscal year. Below is an overview of cash flows and reasons for changes during the period under review.

Net cash provided by operating activities for the period under review totaled ¥7,347 million, an increase of ¥696 million compared to the corresponding period of the previous fiscal year. The main components of cash inflows included profit before income taxes amounting to ¥5,772 million, depreciation amounting to ¥3,734 million, and a decrease in inventories of ¥1,315 million. The main components of cash outflows included an increase in accounts receivable - trade, and contract assets of ¥1,507 million and a decrease in other current liabilities of ¥845 million.

Net cash used in investing activities was ¥2,899 million, an increase of ¥5,098 million compared to the corresponding period of the previous fiscal year. The main components of cash outflows included purchase of non-current assets amounting to ¥2,904 million.

Net cash used in financing activities was ¥5,231 million, a decrease of ¥5,785 million compared to the corresponding period of the previous fiscal year. The main components of cash inflows included an increase in short-term borrowings and commercial papers of ¥1,577 million. The main components of cash outflows included ¥6,737 million spent for dividends paid.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Because the consolidated financial results for the period under review have been almost in line with expectations, the Company has decided not to change its earlier consolidated financial results forecast for the fiscal year ending March 31, 2027, which was announced on May 14, 2026.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	9,936	9,338
Notes and accounts receivable - trade, and contract assets	22,560	24,164
Merchandise and finished goods	19,104	17,837
Work in process	7,527	7,564
Raw materials and supplies	6,479	6,638
Other	3,693	3,745
Allowance for doubtful accounts	(35)	(29)
Total current assets	69,266	69,259
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,323	41,188
Machinery, equipment and vehicles, net	13,671	13,314
Land	9,986	9,992
Other, net	4,918	4,446
Total property, plant and equipment	68,899	68,941
Intangible assets	1,385	1,216
Investments and other assets		
Investment securities	3,530	3,702
Other	10,736	10,948
Allowance for doubtful accounts	(205)	(95)
Total investments and other assets	14,060	14,555
Total non-current assets	84,346	84,713
Total assets	153,612	153,973

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,164	7,322
Short-term borrowings	875	945
Commercial papers	2,000	3,500
Current portion of long-term borrowings	5,710	5,622
Income taxes payable	605	1,558
Provision for bonuses	1,441	1,504
Provision for business restructuring	786	597
Other	9,050	8,872
Total current liabilities	27,636	29,923
Non-current liabilities		
Long-term borrowings	5,261	5,240
Retirement benefit liability	2,603	2,654
Long-term leasehold and guarantee deposits received	3,913	3,921
Other	450	443
Total non-current liabilities	12,228	12,259
Total liabilities	39,865	42,183
Net assets		
Shareholders' equity		
Share capital	26,071	26,071
Capital surplus	6,571	6,587
Retained earnings	69,755	67,301
Treasury shares	(761)	(689)
Total shareholders' equity	101,636	99,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	979	1,033
Deferred gains or losses on hedges	532	345
Revaluation reserve for land	(13)	(13)
Foreign currency translation adjustment	5,407	6,254
Remeasurements of defined benefit plans	3,214	2,878
Total accumulated other comprehensive income	10,120	10,498
Share acquisition rights	95	90
Non-controlling interests	1,894	1,929
Total net assets	113,746	111,789
Total liabilities and net assets	153,612	153,973

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	65,270	64,082
Cost of sales	44,400	41,907
Gross profit	20,869	22,175
Selling, general and administrative expenses	17,683	16,396
Operating profit	3,186	5,778
Non-operating income		
Interest income	24	26
Dividend income	101	105
Rental income from non-current assets	304	347
Foreign exchange gains	-	2
Other	71	125
Total non-operating income	502	607
Non-operating expenses		
Interest expenses	35	69
Rental expenses on non-current assets	295	332
Foreign exchange losses	17	-
Share of loss of entities accounted for using equity method	9	7
Other	125	133
Total non-operating expenses	483	542
Ordinary profit	3,205	5,843
Extraordinary income		
Gain on sale of non-current assets	3	0
Gain on sale of investment securities	29	0
Gain on liquidation of subsidiaries and associates	-	20
Gain on change in equity	-	74
Total extraordinary income	32	95
Extraordinary losses		
Loss on sale and retirement of non-current assets	150	123
Business restructuring expenses	3,498	-
Other	123	44
Total extraordinary losses	3,771	167
Profit (loss) before income taxes	(533)	5,772
Income taxes	82	1,430
Profit (loss)	(616)	4,341
Profit attributable to non-controlling interests	41	24
Profit (loss) attributable to owners of parent	(658)	4,317

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit (loss)	(616)	4,341
Other comprehensive income		
Valuation difference on available-for-sale securities	279	53
Deferred gains or losses on hedges	135	(186)
Foreign currency translation adjustment	(1,491)	872
Remeasurements of defined benefit plans, net of tax	(79)	(336)
Share of other comprehensive income of entities accounted for using equity method	14	20
Total other comprehensive income	(1,141)	424
Comprehensive income	(1,758)	4,765
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,724)	4,719
Comprehensive income attributable to non-controlling interests	(33)	46

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(533)	5,772
Depreciation	3,553	3,734
Amortization of goodwill	22	22
Increase (decrease) in allowance for doubtful accounts	(0)	(6)
Increase (decrease) in retirement benefit liability	(488)	(614)
Share of loss (profit) of entities accounted for using equity method	9	7
Increase (decrease) in provision for bonuses	8	58
Interest and dividend income	(125)	(131)
Interest expenses	35	69
Foreign exchange losses (gains)	(8)	36
Loss (gain) on sale and retirement of non-current assets	140	122
Loss (gain) on sale and valuation of investment securities	(29)	(0)
Business restructuring expenses	3,498	-
Other extraordinary loss (income)	123	(50)
Other loss (gain)	(9)	(15)
Decrease (increase) in accounts receivable - trade, and contract assets	300	(1,507)
Decrease (increase) in inventories	562	1,315
Decrease (increase) in other current assets	521	105
Increase (decrease) in trade payables	(831)	(162)
Increase (decrease) in leasehold and guarantee deposits received	(55)	(6)
Increase (decrease) in other current liabilities	238	(845)
Increase (decrease) in other non-current liabilities	(0)	(0)
Subtotal	6,932	7,901
Interest and dividends received	187	131
Interest paid	(41)	(70)
Income taxes refund (paid)	(428)	(615)
Net cash provided by (used in) operating activities	6,650	7,347
Cash flows from investing activities		
Purchase of non-current assets	(7,906)	(2,904)
Proceeds from sale of non-current assets	12	1
Payments for retirement of non-current assets	(107)	(98)
Purchase of investment securities	(609)	(720)
Proceeds from sale of investment securities	643	735
Decrease (increase) in loans receivable	(103)	83
Other, net	73	4
Net cash provided by (used in) investing activities	(7,997)	(2,899)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	7,285	1,577
Repayments of long-term borrowings	(452)	(103)
Purchase of treasury shares	(3)	(1)
Proceeds from sale of treasury shares	73	85
Dividends paid	(6,296)	(6,737)
Dividends paid to non-controlling interests	(34)	(35)
Other, net	(16)	(15)
Net cash provided by (used in) financing activities	554	(5,231)
Effect of exchange rate change on cash and cash equivalents	(368)	185
Net increase (decrease) in cash and cash equivalents	(1,160)	(598)
Cash and cash equivalents at beginning of period	10,541	9,936
Cash and cash equivalents at end of period	9,380	9,338

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes regarding assumptions of continuing operations)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Application of an accounting method specific to the preparation of semi-annual consolidated financial statements)

(Calculation of income tax expenses)

The Company calculates income tax expenses by reasonably estimating the effective tax rate expected to be imposed on profit before income taxes for the fiscal year ending March 31, 2027 and then multiplying profit before income taxes for the six months ended September 30, 2026 by the effective tax rate thus estimated.

However, in cases where calculating tax expenses using the estimated effective tax rate yields a result that is notably lacking rationality, tax expenses will be calculated using the statutory effective tax rate.

(Changes in accounting policies and changes or restatement of accounting estimates)

Not applicable.

(Segment information, etc.)

[Segment Information]

Six Months Ended September 30, 2025 (April 1, 2025 – September 30, 2025)

1. Information on Net Sales and Profit/Loss of Each Reportable Segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	23,246	6,480	29,725	5,818	65,270	-	65,270
Intersegment sales and transfers	421	0	60	20	502	(502)	-
Total	23,667	6,480	29,785	5,838	65,772	(502)	65,270
Segment profit	3,346	948	249	475	5,019	(1,833)	3,186

Notes:
1. The ¥(1,833) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.
2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Semi-annual Consolidated Statements of Income.

Six Months Ended September 30, 2026 (April 1, 2026 – September 30, 2026)

1. Information on Net Sales and Profit/Loss of Each Reportable Segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	25,742	6,139	26,313	5,886	64,082	-	64,082
Intersegment sales and transfers	366	0	432	15	814	(814)	-
Total	26,108	6,140	26,745	5,902	64,897	(814)	64,082
Segment profit	5,249	709	1,143	606	7,709	(1,930)	5,778

Notes:
1. The ¥(1,930) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.
2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Semi-annual Consolidated Statements of Income.

(Significant subsequent events)

Not applicable.