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August 5, 2026

Consolidated Financial Results for the Three Months Ended June 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 commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for analysts)

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	31,367	(2.7)	3,387	87.6	3,419	86.0	2,640	-
June 30, 2025	32,240	(3.4)	1,806	(13.3)	1,838	(19.1)	(1,473)	-

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 2,884 million [-%]
For the three months ended June 30, 2025: ¥ (2,370) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	84.23	84.08
June 30, 2025	(45.37)	-

Notes: Diluted earnings per share for the three months ended June 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
June 30, 2026	154,490	109,856	69.8	3,440.20
March 31, 2026	153,612	113,746	72.8	3,565.39

Reference: Equity
As of June 30, 2026: ¥ 107,839 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	165.89

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies( )

Excluded: - companies( )

(2) Adoption of accounting treatment specific to the preparation of quarterly 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 June 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 June 30, 2026	240,174 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)

Three months ended June 30, 2026	31,346,402 shares
Three months ended June 30, 2025	32,470,080 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

Projections of results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results and notes regarding the use of projections, see “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” of “1. Qualitative Information on Quarterly Financial Results for the Period under Review” on page 3 of attached materials.

(Attachment)

Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Business Results

(Overview of Results for the Period under Review)

During the three months ended June 30, 2026 (April 1, 2026 – June 30, 2026), the Japanese economy faced continued sluggish consumer spending, driven by rising prices caused by soaring raw material prices amid heightened tensions in the Middle East and the yen's depreciation, while solid corporate performance and signs of wage increases were seen.

Amid this operating environment, in the second year of its medium-term management plan "VISION 2030 Stage 2," the GUNZE Group has defined this period as "three years for transformation" to continue to be the company of choice globally by advancing a sustainable business foundation, and advanced 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:	¥31,367 million	(down by 2.7% year-on-year)
Operating profit:	¥3,387 million	(up by 87.6% year-on-year)
Ordinary profit:	¥3,419 million	(up by 86.0% year-on-year)
Profit attributable to owners of parent:	¥2,640 million	(loss attributable to owners of parent of ¥1,473 million for the same period of the previous fiscal year)

Net sales decreased by ¥872 million attributable to the impact of a decline in apparel sales through the existing channels, including mass retailers, although sales of plastic films remained strong mainly due to advance orders in anticipation of rising material prices.

Operating profit increased by ¥1,581 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 ¥1,581 million. Profit attributable to owners of parent increased by ¥4,113 million mainly due to the recording of business restructuring expenses in the apparel business for the fiscal year ended March 31, 2026.

(Results by Business Segment)

[Functional Solutions]

The functional solutions business recorded net sales of ¥12,354 million (up by 7.3% year-on-year) and an operating profit of ¥2,526 million (up by 59.7% 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, the recovery in the overseas market, and improvements in product cost structures in Japan and overseas, in addition to advance orders in anticipation of rising material prices.
- In engineering plastics, sales generally performed strongly, supported by the recovery trend in the semiconductor market.

[Medical]

The medical business recorded net sales of ¥2,925 million (down by 7.0% year-on-year) and an operating profit of ¥315 million (down by 41.7% 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 regulations on high-cost medical care and the restrained purchase of Japanese products amid the deterioration of Japan–China relations.

[Apparel]

The apparel business recorded net sales of ¥13,321 million (down by 9.8% year-on-year) and an operating profit of ¥1,185 million (up by 226.7% year-on-year).

<Major factors in the changes>

- Although sales volume decreased due to the strategy to focus on specific areas, including brand consolidation and price revisions, profitability improved mainly due to the consolidation of production and logistics bases and the streamlining of indirect operations.
- Amid sluggish consumer spending, while sales through direct-to-consumer channels remained at the same level as the same period of the previous fiscal year, led by *Asedoron*, sales through the existing channels, including mass retailers, were affected by the reduction in sales floor space.

[Lifestyle Creations]

The lifestyle creation business recorded net sales of ¥3,056 million (up by 1.3% year-on-year) and an operating profit of ¥321 million (up by 30.4% 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 reducing unprofitable stores.

(2) Explanation of Financial Position

As of June 30, 2026, total assets were ¥154,490 million, an increase of ¥877 million compared to the end of the previous fiscal year. The main components of the increase included a ¥988 million increase in cash and deposits.

Total liabilities were ¥44,634 million, an increase of ¥4,768 million compared to the end of the previous fiscal year. The main components of the increase included a ¥5,563 million increase in long- and short-term borrowings including commercial papers, while the main components of the decrease included a ¥774 million decrease in provision for bonuses.

Net assets were ¥109,856 million, a decrease of ¥3,890 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 ¥2,640 million, while the main components of the decrease included dividends paid of ¥6,770 million.

(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. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	9,936	10,925
Notes and accounts receivable - trade, and contract assets	22,560	23,307
Merchandise and finished goods	19,104	18,578
Work in process	7,527	7,731
Raw materials and supplies	6,479	6,739
Other	3,693	3,658
Allowance for doubtful accounts	(35)	(31)
Total current assets	69,266	70,908
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	40,323	39,683
Machinery, equipment and vehicles, net	13,671	13,246
Land	9,986	9,988
Other, net	4,918	5,057
Total property, plant and equipment	68,899	67,976
Intangible assets	1,385	1,271
Investments and other assets		
Investment securities	3,530	3,515
Other	10,736	10,913
Allowance for doubtful accounts	(205)	(96)
Total investments and other assets	14,060	14,333
Total non-current assets	84,346	83,581
Total assets	153,612	154,490

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,164	7,551
Short-term borrowings	875	988
Commercial papers	2,000	7,500
Current portion of long-term borrowings	5,710	5,664
Income taxes payable	605	1,012
Provision for bonuses	1,441	667
Provision for business restructuring	786	695
Other	9,050	8,426
Total current liabilities	27,636	32,506
Non-current liabilities		
Long-term borrowings	5,261	5,258
Retirement benefit liability	2,603	2,574
Long-term leasehold and guarantee deposits received	3,913	3,884
Other	450	409
Total non-current liabilities	12,228	12,127
Total liabilities	39,865	44,634
Net assets		
Shareholders' equity		
Share capital	26,071	26,071
Capital surplus	6,571	6,569
Retained earnings	69,755	65,625
Treasury shares	(761)	(755)
Total shareholders' equity	101,636	97,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	979	918
Deferred gains or losses on hedges	532	551
Revaluation reserve for land	(13)	(13)
Foreign currency translation adjustment	5,407	5,825
Remeasurements of defined benefit plans	3,214	3,046
Total accumulated other comprehensive income	10,120	10,329
Share acquisition rights	95	90
Non-controlling interests	1,894	1,926
Total net assets	113,746	109,856
Total liabilities and net assets	153,612	154,490

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	32,240	31,367
Cost of sales	21,631	19,849
Gross profit	10,608	11,517
Selling, general and administrative expenses	8,802	8,130
Operating profit	1,806	3,387
Non-operating income		
Interest income	9	3
Dividend income	99	104
Rental income from non-current assets	201	223
Foreign exchange gains	-	21
Other	36	23
Total non-operating income	346	376
Non-operating expenses		
Interest expenses	17	32
Rental expenses on non-current assets	196	216
Foreign exchange losses	28	-
Share of loss of entities accounted for using equity method	6	8
Other	65	86
Total non-operating expenses	314	344
Ordinary profit	1,838	3,419
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on change in equity	-	74
Total extraordinary income	2	74
Extraordinary losses		
Loss on sale and retirement of non-current assets	70	51
Business restructuring expenses	3,434	-
Office closing expense	-	25
Other	-	18
Total extraordinary losses	3,504	95
Profit (loss) before income taxes	(1,663)	3,399
Income taxes	(216)	739
Profit (loss)	(1,447)	2,659
Profit attributable to non-controlling interests	25	19
Profit (loss) attributable to owners of parent	(1,473)	2,640

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit (loss)	(1,447)	2,659
Other comprehensive income		
Valuation difference on available-for-sale securities	224	(60)
Deferred gains or losses on hedges	(52)	19
Foreign currency translation adjustment	(1,092)	429
Remeasurements of defined benefit plans, net of tax	(39)	(168)
Share of other comprehensive income of entities accounted for using equity method	37	4
Total other comprehensive income	(923)	225
Comprehensive income	(2,370)	2,884
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,332)	2,848
Comprehensive income attributable to non-controlling interests	(38)	36

(3) Notes to Quarterly 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 quarterly 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 three months ended June 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]

Three Months Ended June 30, 2025 (April 1, 2025 – June 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	11,351	3,144	14,734	3,009	32,240	-	32,240
Intersegment sales and transfers	163	0	29	9	203	(203)	-
Total	11,515	3,145	14,763	3,018	32,443	(203)	32,240
Segment profit	1,582	540	363	246	2,732	(926)	1,806

Notes:

1. The ¥(926) 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 Quarterly Consolidated Statements of Income.

Three Months Ended June 30, 2026 (April 1, 2026 – June 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	12,203	2,925	13,188	3,050	31,367	-	31,367
Intersegment sales and transfers	151	0	132	6	290	(290)	-
Total	12,354	2,925	13,321	3,056	31,658	(290)	31,367
Segment profit	2,526	315	1,185	321	4,348	(960)	3,387

Notes:

1. The ¥(960) 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 Quarterly Consolidated Statements of Income.

(Notes regarding statements of cash flows)

The Company has not prepared the quarterly consolidated statements of cash flows for the three months ended June 30, 2026. Depreciation (including amortization for intangible assets) and amortization of goodwill for the three months ended June 30 are as follows:

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	1,759	1,836
Amortization of goodwill	11	11

(Significant subsequent events)

Not applicable.

Independent Auditor’s Interim Review Report on the Quarterly Consolidated Financial Statements

August 5, 2026

To the Board of Directors of
GUNZE LIMITED

Kyoritsu Audit Corporation

Osaka Office

Representative Partner, Engagement Partner	Certified public accountant	Kiyoshi Asada
Representative Partner, Engagement Partner	Certified public accountant	Eishiro Komura

Auditor’s Conclusion

We have conducted an interim review of the quarterly consolidated financial statements of GUNZE LIMITED for the first quarter accounting period (from April 1, 2026 to June 30, 2026) and the cumulative first quarter (from April 1, 2026 to June 30, 2026) of the fiscal year from April 1, 2026 to March 31, 2027 included in the “Attachment” of the summary of quarterly consolidated results, namely, the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and notes thereto.

In the interim review that we conducted, we found no instances that would lead us to believe that the above quarterly consolidated financial statements were not prepared in all material respects in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange’s Standards for Preparation of Quarterly Financial Statements and accounting standards generally accepted in Japan for interim consolidated financial statements (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

Basis for Auditor’s Conclusion

We conducted our interim review in accordance with the interim review standards that are generally accepted in Japan. Our responsibilities under the interim review standards are described in “Auditor’s Responsibilities in Interim Review of Quarterly Consolidated Financial Statements.” Pursuant to the rules on professional ethics in Japan, including those applicable to audits of financial statements of public interest entities, we are independent from the Company and its consolidated subsidiaries, and have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained the evidence to form a basis for our conclusion.

Responsibility of Management, Corporate Auditors and the Board of Corporate Auditors with Respect to Quarterly Consolidated Financial Statements

The responsibility of management is to prepare quarterly financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards generally accepted in Japan for interim consolidated financial statements (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). This includes designing and operating internal controls that management deems necessary in order to prepare quarterly consolidated financial statements free of material misstatements, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the quarterly consolidated financial statements based on the premise of a going concern, and for disclosing matters relating to going concern if required based on Article 4, Paragraph 1 of the Tokyo Stock Exchange’s Standards for Preparation of Quarterly Financial Statements and accounting standards generally accepted in Japan for interim consolidated financial statements (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).

The Corporate Auditors and Board of Corporate Auditors are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibilities in the Interim Review of Quarterly Consolidated Financial Statements

The auditor's responsibility is to express a conclusion with respect to the quarterly consolidated financial statements from an independent standpoint in an interim review report based on the interim review it has performed.

The auditor shall exercise professional judgment throughout the interim review process in accordance with interim review standards generally accepted in Japan, and perform the following while maintaining professional skepticism:

・ Primarily, make inquiries of management, persons responsible for financial and accounting matters, and others, and perform analytical procedures and other interim review procedures. Interim review procedures are limited procedures relative to audits of annual financial statements conducted in accordance with auditing standards generally accepted in Japan.
・ If it is determined that there is material uncertainty regarding events or circumstances that would raise substantial doubts about factors relating to the premise of a going concern, the auditor shall conclude, based on the evidence obtained, whether there are any factors that lead the auditor to believe that the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards generally accepted in Japan for interim consolidated financial statements (however, omissions set forth in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply). Moreover, if there is material uncertainty regarding the premise of a going concern, the auditor is required to call attention to the notes to the quarterly consolidated financial statements in the interim review report, or to express a qualified or negative conclusion on the quarterly consolidated financial statements if the notes to the quarterly consolidated financial statements regarding material uncertainty are not adequate. The auditor's conclusion is based on evidence obtained up to the date of the interim review report, but future events or circumstances may prevent the company from continuing as a going concern.
・ Evaluate whether there are any matters that lead the auditor to believe that the presentation and notes of the quarterly consolidated financial statements have not been prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's Standards for Preparation of Quarterly Financial Statements and accounting standards generally accepted in Japan for interim consolidated financial statements (however, omissions set out in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements apply).
・ Obtain evidence regarding financial information of the Company and its consolidated subsidiaries that forms the basis for expressing conclusions about the quarterly consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing of the interim review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusions.

The auditor shall report to the Corporate Auditors and of Board of Corporate Auditors on the planned scope of the interim review, its timing, and any significant findings from the interim review.

The auditor shall report to the Corporate Auditors and of Board of Corporate Auditors regarding the compliance with provisions related to professional ethics in Japan regarding independence, as well as on any matters that are reasonably considered to affect the auditor's independence, and details of any measures that are taken to remove impediments, or any safeguards adopted to reduce impediments to an acceptable level.

Conflicts of Interest

There are no special interests between the audit corporation or its engagement partners and the Company or its consolidated subsidiaries that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

End

Notes 1. The original copy of the above interim review report is kept separately by the Company (the company disclosing the quarterly consolidated financial statements).
2. XBRL data and HTML data are not included within the scope of the interim review report.