

## **Notice of Posting of Extraordinary Gains and Losses**

On May 9, 2007, Gunze Limited announced posting of extraordinary gains and losses for the fiscal year ended March 31, 2007 as follows:

### **1. Amortization of unrecognized actuarial differences related to retirement benefit obligations**

The Gunze Group's policy is to record actuarial gains and losses related to retirement benefit obligations in the consolidated fiscal year (business year) following the year in which such difference occurred.

Accordingly, Gunze posted amortizations of unrecognized actuarial differences related to retirement benefit obligations (amounting to 7,147 million yen on a consolidated basis, and 7,151 million yen for Gunze Limited), which occurred during the fiscal year ended March 2006, as extraordinary gains during the fiscal year ended March 31, 2007. Extraordinary gains of 7,147 million yen and 7,151 million yen were presented in the Consolidated Statements of Income and Non-consolidated Statements of Income of Gunze Limited, respectively.

### **2. Losses on disposal of inventories**

To improve the Gunze Group's financial standing in preparation for the release of the Accounting Standard for Inventory Revaluation, set to be applicable starting from the fiscal year ending March 31, 2009, Gunze disposed of inventories. Accordingly, Gunze recorded losses on the disposal of inventories as extraordinary losses amounting to 5,113 million yen and 5,044 million yen on the Consolidated Statements of Income and Non-consolidated Statements of Income of Gunze Limited, respectively. This treatment does not represent the early application of the Accounting Standard for Inventory Revaluation.