

Notice Regarding Repurchasing of Treasury Stock

(Repurchase of treasury stock as stipulated in the Articles of Incorporation, pursuant to Article 165-2 of the Companies Act of Japan)

On May 12, 2008 at its Board of Directors Meeting, Gunze Limited resolved to repurchase its treasury stock, pursuant to the provisions in Article 156 of the Companies Act of Japan, the wording of which is to be changed according to Article 165-3 of the said law. Details are as follows:

1. Purpose of repurchasing treasury stock

To implement a flexible capitalization policy that responds more effectively to changes in the economic environment.

2. Details of share repurchase

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| (1) Type of shares to be repurchased: | Common stock of Gunze Limited |
| (2) Total number of shares to be repurchased: | Up to 2 million shares (0.88% of shares issued) |
| (3) Total repurchase price: | Up to 1,100 million yen |
| (4) Repurchase period: | May 13, 2008 to June 18, 2008 |

(Reference)

Status as of April 30, 2008

Total number of shares issued

(excluding treasury stock): 208,552,422 shares

Total number of treasury shares: 19,382,743 shares