

March 13, 2017

To whom it may concern :

GUNZE LIMITED  
(TES:3002)

**Re: Press coverage of Taiwanese touch-screen film operation**

In our timely disclosure on March 10, "consolidated subsidiary in Taiwan withdrawing business and withdrawing extraordinary loss", there was a press coverage different from the fact that Gunze plans to exit from Taiwanese touch-screen film operation from some press organizations. We will follow up the subject with further information.

As a result of intensified competition in China and Taiwan markets, our announcement meant specifically the withdrawal of a joint venture company that manufactures and sells general-purpose sputtered films for the region. The production of functional sputtered films, we will continue in Japan, and for the sales, we will continue in Japan, Taiwan (a sales company other than Jung Hong Optronics Corporation), China and South Korea from our company and our subsidiary companies.

Furthermore, regarding the touch panel business and the functional coated film business, we will continue our business in Japan, China and USA as usual.

As mentioned above, we appreciate your kind understanding.