

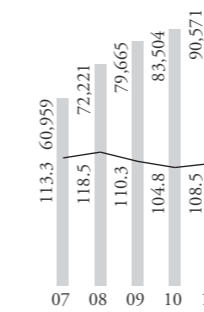
Management Indexes

UNITED ARROWS LTD. and consolidated subsidiaries

years ended March 31	millions of yen					thousands
	2007	2008	2009	2010	2011	of U.S. dollars
Performance						
Net sales	60,959	72,221	79,665	83,504	90,571	1,089,256
Net sales growth ratio (%)	113.3	118.5	110.3	104.8	108.5	
Cost of sales	27,887	35,330	39,018	40,639	42,569	511,963
Gross profit	33,072	36,891	40,647	42,865	48,001	577,292
Operating income	7,350	4,930	4,319	4,942	7,384	88,808
Selling, general and administrative expenses	25,721	31,960	36,327	37,922	40,617	488,483
Ordinary income	7,337	5,017	4,283	5,037	7,240	87,082
Income before income taxes	6,224	6,815	3,058	3,849	5,928	71,293
Net income	3,511	3,800	1,274	1,403	3,596	43,258
Financial condition						
Current assets	23,478	27,283	29,460	29,069	28,342	340,859
Inventory	14,258	17,043	18,681	16,903	15,867	190,823
Total assets	38,132	43,362	46,821	46,163	45,716	549,804
Total net assets	17,635	22,711	23,004	23,327	15,103	181,638
Current liabilities	16,646	20,140	19,854	19,406	27,484	330,545
Noncurrent liabilities	3,850	510	3,962	3,429	3,128	37,620
Interest-bearing debt	8,246	7,416	11,899	7,748	16,132	194,010
Shareholders' equity	17,648	22,768	22,987	23,335	15,102	181,629
Cash flows						
Cash flows from operating activities	1,801	456	1,286	7,933	6,923	83,261
Free cash flows	(2,397)	(489)	(3,087)	5,941	4,853	58,372
Cash and cash equivalents	2,971	2,975	3,322	4,061	5,471	65,807
Investment indexes						
Return on equity (ROE) (%)	21.8	18.8	5.6	6.1	18.7	
Return on assets (ROA) (%)	20.0	12.3	9.5	10.8	15.8	
Dividend ratio (%)	11.8	27.6	82.8	84.2	29.9	
Capital expenditures	2,389	2,954	3,604	1,415	4,254	51,161
Depreciation	642	883	1,258	1,209	1,363	16,394

- Figures are shown in terms of millions of yen with amounts less than this unit omitted. For convenience only, U.S. dollar figures have been calculated at the rate of exchange on March 31, 2011, of ¥83.15=U.S.\$1.
 - In the year ended March 31, 2011, Capital expenditures includes change in asset retirement obligations fee of ¥1,619 million (\$19,472 thousand) due to application of accounting standard regarding asset retirement obligations.

Net sales / Net sales growth ratio
millions of yen/%



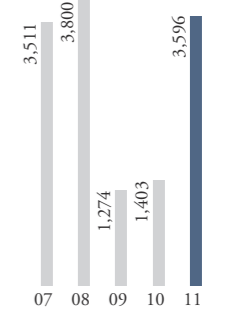
Operating income
millions of yen



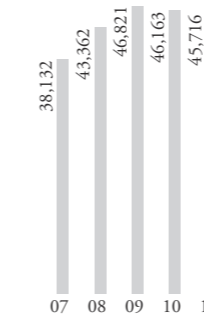
Ordinary income
millions of yen



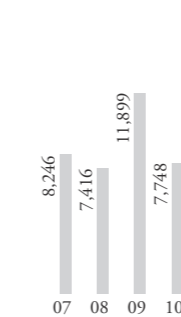
Net income
millions of yen



Total assets
millions of yen



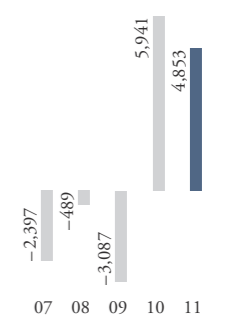
Interest-bearing debt
millions of yen



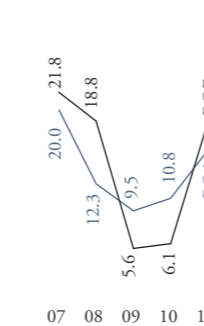
Shareholders' equity
millions of yen



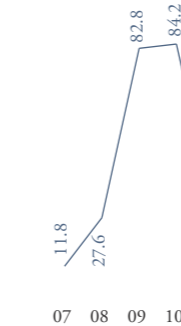
Free cash flows
millions of yen



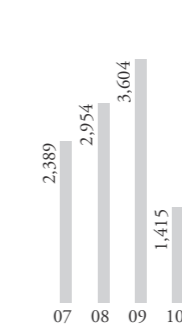
ROE / ROA
%



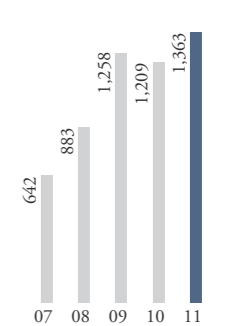
Dividend ratio
%



Capital expenditures
millions of yen



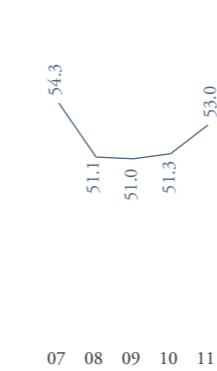
Depreciation
millions of yen



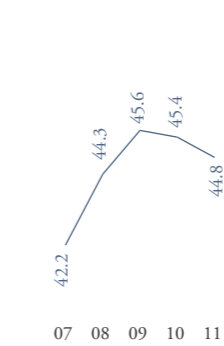
	%					
	2007	2008	2009	2010	2011	2011
Profitability						
Gross profit margin	54.3	51.1	51.0	51.3	53.0	
Ratio of SG&A expenses to net sales	42.2	44.3	45.6	45.4	44.8	
Cost of sales ratio	45.7	48.9	49.0	48.7	47.0	
Operating income margin	12.1	6.8	5.4	5.9	8.2	
Ordinary income margin	12.0	6.9	5.4	6.0	8.0	
Net income margin	5.8	5.2	1.6	1.7	4.0	
Efficiency						
Total asset turnover (times)	1.6	1.7	1.7	1.8	2.0	
Fixed asset turnover (times)	4.2	4.5	4.6	4.9	5.2	
Inventory turnover (times)	4.8	4.6	4.5	4.7	5.5	
Return on investment (ROI)	30.5	18.4	12.6	16.8	20.9	
Security						
Equity ratio	46.2	52.4	49.1	50.5	33.0	
Current ratio	141.0	135.5	148.4	149.8	103.1	
Fixed asset ratio	83.0	70.8	75.5	73.3	115.0	
Debt equity ratio	116.2	90.9	103.5	97.9	202.7	
Ratio of interest-bearing debt to equity	0.5	0.3	0.5	0.3	1.1	
Interest coverage ratio (times)	21.7	6.4	12.7	57.1	46.9	
yen U.S. dollars						
Per share information						
Earnings per share (EPS)	84.98	90.59	30.19	33.26	97.02	1.16
Book value per share (BPS)	426.33	538.09	545.02	552.68	478.39	5.75
Dividends per share (DPS)	10.00	25.00	25.00	28.00	29.00	0.34

- Inventory turnover = Net sales ÷ Inventory
 - Return on investment = (Ordinary income + Interest expenses) ÷ (Interest-bearing debt + Shareholder's equity (yearly average)) × 100
 - Debt equity ratio = (Current liabilities + Noncurrent liabilities) ÷ Shareholders' equity × 100
 - Ratio of interest-bearing debt to equity = Interest-bearing debt ÷ Shareholders' equity
 - Interest coverage ratio = Cash flows from operating activities ÷ Interest payments

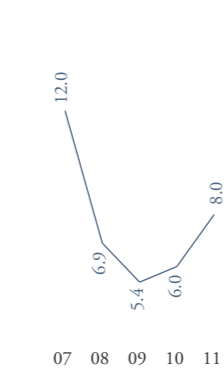
Gross profit margin %



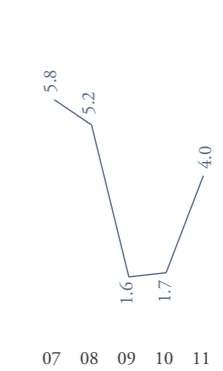
Ratio of SG&A expenses to net sales %



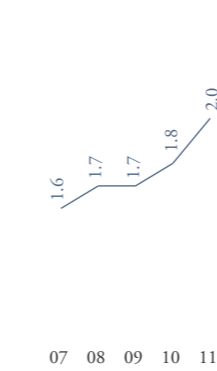
Ordinary income margin %



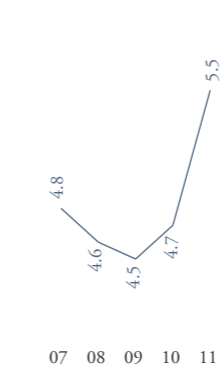
Net income margin %



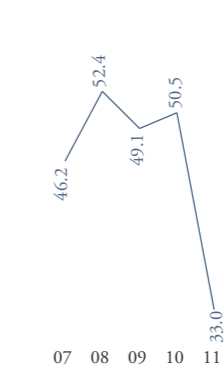
Total asset turnover times



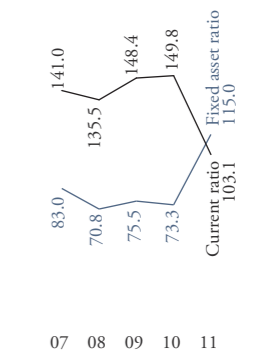
Inventory turnover times



Equity ratio %



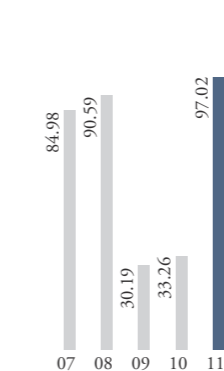
Current ratio / Fixed asset ratio %



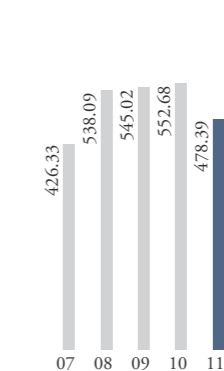
Debt equity ratio %



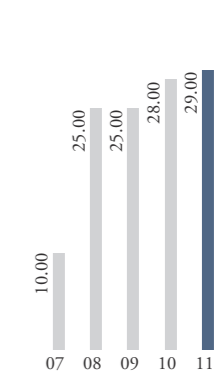
Earnings per share (EPS) yen



Book value per share (BPS) yen



Dividends per share (DPS) yen



Consolidated Balance Sheets

UNITED ARROWS LTD. and consolidated subsidiaries
for the years ended March 31, 2010 and 2011

	millions of yen		thousands of U.S. dollars
Assets	2010	2011	2011
Current assets			
Cash and deposits	4,173	5,640	67,829
Notes and accounts receivable–trade	308	257	3,092
Merchandise	16,712	15,698	188,798
Supplies	191	169	2,034
Accounts receivable–other	5,809	5,108	61,437
Deferred tax assets	1,565	1,161	13,963
Other	351	348	4,187
Allowance for doubtful accounts	(42)	(40)	(485)
Total current assets	29,069	28,342	340,859
Noncurrent assets			
Tangible noncurrent assets			
Buildings and structures	9,847	12,381	148,903
Accumulated depreciation and accumulated impairment loss	(4,388)	(5,788)	(69,620)
Buildings and structures (net)	5,458	6,592	79,283
Land	569	569	6,854
Construction in progress	540	32	386
Other	2,843	3,167	38,095
Accumulated depreciation and accumulated impairment loss	(1,909)	(2,172)	(26,132)
Other (net)	933	994	11,963
Total tangible noncurrent assets	7,502	8,189	98,487
Intangible noncurrent assets			
Goodwill	159	—	—
Other	2,022	1,885	22,676
Total intangible assets	2,182	1,885	22,676
Investments and other assets			
Investment securities	163	147	1,773
Guarantee deposits	6,285	6,224	74,856
Deferred tax assets	499	441	5,314
Other	464	490	5,895
Allowance for doubtful accounts	(4)	(4)	(58)
Total investments and other assets	7,409	7,299	87,781
Total noncurrent assets	17,094	17,373	208,945
Total assets	46,163	45,716	549,804

	millions of yen		thousands of U.S. dollars
Liabilities	2010	2011	2011
Current liabilities			
Notes and accounts payable–trade	7,670	—	—
Accounts payable–trade	—	7,193	86,515
Short-term loans payable	2,240	12,800	153,938
Current portion of long-term loans payable	2,176	2,094	25,183
Accounts payable–other	2,952	2,952	35,504
Income taxes payable	1,731	600	7,218
Provision for bonuses	1,495	1,233	14,833
Provision for directors' bonuses	—	60	721
Loss provision for store closure	418	—	—
Asset retirement obligations	—	76	924
Other	720	474	5,705
Total current liabilities	19,406	27,484	330,545
Noncurrent liabilities			
Long-term loans payable	3,332	1,238	14,888
Provision for directors' retirement benefits	91	91	1,099
Asset retirement obligations	—	1,791	21,541
Other	6	7	90
Total noncurrent liabilities	3,429	3,128	37,620
Total liabilities	22,835	30,613	368,166
Net assets			
Shareholders' equity			
Capital stock	3,030	3,030	36,440
Capital surplus	4,095	4,095	49,255
Retained earnings	17,119	19,514	234,692
Treasury stock	(909)	(11,537)	(138,758)
Total shareholders' equity	23,335	15,102	181,629
Accumulated other comprehensive income			
Other valuation adjustments on securities	(1)	(11)	(135)
Deferred gains or losses on hedges	(6)	12	144
Total accumulated other comprehensive income	(7)	0	9
Total net assets	23,327	15,103	181,638
Total liabilities and net assets	46,163	45,716	549,804

Consolidated Statements of Income

UNITED ARROWS LTD. and consolidated subsidiaries
for the years ended March 31, 2010 and 2011

	millions of yen		thousands of U.S. dollars
	2010	2011	2011
Net sales	83,504	90,571	1,089,256
Cost of sales	40,639	42,569	511,963
Gross profit	42,865	48,001	577,292
Selling, general and administrative expenses	37,922	40,617	488,483
Operating income	4,942	7,384	88,808
Non-operating income			
Interest income	2	1	17
Dividend income	—	4	50
Rent income	9	15	180
Foreign exchange gains	34	19	237
Purchase discounts	33	36	443
Other	181	86	1,045
Total non-operating income	261	164	1,975
Non-operating expenses			
Interest expenses	143	148	1,781
Rent expenses	6	11	140
Commission fees	1	118	1,423
Other	15	29	356
Total non-operating expenses	166	307	3,702
Ordinary income	5,037	7,240	87,082
Extraordinary income			
Gain on sales of noncurrent assets	—	7	84
Reversal of provision for loss on store closing	—	77	936
Refund of short swing profits from principal shareholder	138	—	—
Compensation for transfer	—	19	232
Total extraordinary income	138	104	1,254
Extraordinary loss			
Loss on retirement of noncurrent assets	149	65	791
Impairment loss	758	408	4,908
Addition to provision for loss on store closing	418	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	921	11,086
Other	—	21	252
Total extraordinary loss	1,326	1,417	17,042
Income before income taxes	3,849	5,928	71,293
Income taxes—current	2,672	1,875	22,554
Income taxes—deferred	(227)	455	5,481
Total income taxes	2,445	2,331	28,035
Income before minority interests	—	3,596	43,258
Net income	1,403	3,596	43,258

Consolidated Statements of Comprehensive Income

UNITED ARROWS LTD. and consolidated subsidiaries
for the years ended March 31, 2010 and 2011

	millions of yen		thousands of U.S. dollars
	2010	2011	2011
Income before minority interests	—	3,596	43,258
Other comprehensive income			
Other valuation adjustments on securities	—	(9)	(117)
Deferred gains or losses on hedges	—	18	222
Total other comprehensive income	—	8	105
Comprehensive income	—	3,605	43,363
(Breakdown)			
Comprehensive income attributable to owners of the parent	—	3,605	43,363
Comprehensive income attributable to minority interests	—	—	—

Consolidated Statements of Changes in Net Assets

UNITED ARROWS LTD. and consolidated subsidiaries
for the years ended March 31, 2010 and 2011

	millions of yen								
	Shareholders' equity					Accumulated other comprehensive income		Total net assets	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other valuation adjustments on securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance as of March 31, 2009	3,030	4,095	16,771	(909)	22,987	—	17	17	23,004
Cash dividends paid by distribution of retained earnings			(1,055)		(1,055)				(1,055)
Net income			1,403		1,403				1,403
Purchases of treasury stock				(0)	(0)				(0)
Net changes in items other than shareholders' equity (net)						(1)	(23)	(25)	(25)
Net change during the year	—	—	348	(0)	348	(1)	(23)	(25)	323
Balance as of March 31, 2010	3,030	4,095	17,119	(909)	23,335	(1)	(6)	(7)	23,327
Cash dividends paid by distribution of retained earnings			(1,181)		(1,181)				(1,181)
Net income			3,596		3,596				3,596
Purchases of treasury stock				(10,700)	(10,700)				(10,700)
Disposal of treasury stock			(19)	71	51				51
Net changes in items other than shareholders' equity (net)						(9)	18	8	8
Net change during the year	—	—	2,394	(10,628)	(8,233)	(9)	18	8	(8,224)
Balance as of March 31, 2011	3,030	4,095	19,514	(11,537)	15,102	(11)	12	0	15,103

	thousands of U.S. dollars								
	Shareholders' equity					Accumulated other comprehensive income		Total net assets	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other valuation adjustments on securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income	
Balance as of March 31, 2010	36,440	49,255	205,889	(10,939)	280,645	(17)	(78)	(96)	280,549
Cash dividends paid by distribution of retained earnings			(14,214)		(14,214)				(14,214)
Net income			43,258		43,258				43,258
Purchases of treasury stock				(128,683)	(128,683)				(128,683)
Disposal of treasury stock			(240)	864	623				623
Net changes in items other than shareholders' equity (net)						(117)	222	105	105
Net change during the year	—	—	28,802	(127,819)	(99,016)	(117)	222	105	(98,910)
Balance as of March 31, 2011	36,440	49,255	234,692	(138,758)	181,629	(135)	144	9	181,638

Consolidated Statements of Cash Flows

UNITED ARROWS LTD. and consolidated subsidiaries
for the years ended March 31, 2010 and 2011

	millions of yen		thousands of U.S. dollars
	2010	2011	2011
Cash flows from operating activities			
Income before income taxes	3,849	5,928	71,293
Depreciation	1,211	1,372	16,501
Depreciation of intangible assets	299	315	3,789
Amortization of long-term prepaid expenses	81	81	977
Impairment loss	758	408	4,908
Amortization of goodwill	319	159	1,918
Increase (decrease) in provision for bonuses	639	(262)	(3,156)
Increase (decrease) in provision for directors' bonuses	—	60	721
Increase (decrease) in provision for store closure	418	(418)	(5,036)
Increase (decrease) in allowance for doubtful accounts	15	(2)	(27)
Interest and dividends income	(2)	(5)	(68)
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	921	11,086
Interest expenses	143	148	1,781
Loss of retirement of property, plant and equipment	9	12	152
Loss (gain) on sales of property, plant and equipment	—	(3)	(42)
Loss on retirement of intangible assets	0	1	15
Loss (gain) on sales of intangible assets	—	(3)	(42)
Increase in notes receivable	(529)	772	9,291
Increase in inventories	1,778	1,036	12,459
Increase in other current assets	(19)	1	14
Increase in purchase liabilities	(403)	(477)	(5,736)
Increase (decrease) in other current liabilities	926	129	1,559
Increase (decrease) in other noncurrent liabilities	3	23	277
Other	—	0	10
Subtotal	9,500	10,198	122,650
Interest and dividends income received	2	5	68
Interest expenses paid	(139)	(147)	(1,776)
Income taxed paid	(1,429)	(3,133)	(37,680)
Net cash provided by operating activities	7,933	6,923	83,261
Cash flows from investment activities			
Payments into time deposits	—	(56)	(674)
Proceeds from refund of time deposits	38	—	—
Payments for purchase of investment securities	(166)	—	—
Purchase of property, plant and equipment	(1,294)	(1,809)	(21,761)
Payments for retirement of property, plant and equipment	—	(37)	(453)
Proceeds from sales of property, plant and equipment	—	57	694
Purchase of intangible assets	(211)	(149)	(1,795)
Proceeds from sales of intangible assets	—	10	120
Purchase of long-term prepaid expenses	(94)	(154)	(1,863)
Payment for guarantee deposits	(263)	(474)	(5,703)
Proceeds from collection of guarantee deposits	—	535	6,443
Other	—	8	105
Net cash provided by investment activities	(1,992)	(2,069)	(24,888)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(3,810)	10,560	126,999
Proceeds from increase in long-term loans payable	1,640	—	—
Repayment of long-term loans payable	(1,981)	(2,176)	(26,169)
Purchase of treasury stock	(0)	(10,700)	(128,683)
Proceeds from disposal of treasury stock	—	51	623
Cash dividends paid	(1,051)	(1,179)	(14,182)
Net cash provided by financing activities	(5,202)	(3,443)	(41,411)
Effect of exchange rate change on cash and cash equivalents	0	0	0
Increase (decrease) in cash and cash equivalents	739	1,410	16,961
Cash and cash equivalents at beginning of term	3,322	4,061	48,846
Cash and cash equivalents at end of term	4,061	5,471	65,807