February 7, 2012

Consolidated Financial Summary
For the Third Quarter of Fiscal 2012, the Fiscal Year Ending March 31, 2012

Prepared in Conformity with Accounting Principles Generally Accepted in Japan (Japanese GAAP)
English Translation of the Original Japanese-Language Report

Corporate Name:	UNITED ARROWS LTD.
Securities Traded:	Tokyo Stock Exchange, First Section
Code Number:	7606
URL:	http://www.united-arrows.co.jp/en/
Representative:	Osamu Shigematsu,
	President and Managing Director
Contact:	Takeo Nakazawa, Department Manager,
	Finance & Accounting Department
Telephone:	+81-3-5785-6325
Scheduled reporting date:	February 13, 2012
Scheduled date of dividend payment:	—
Supplementary information:	Yes

Note: Figures are rounded down to the nearest million yen.

1. Consolidated Business Results for the Third Quarter of Fiscal 2012, the Fiscal Year Ending March 31, 2012 (April 1, 2011 to December 31, 2011)

(1) Consolidated Business Performance

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
3Q Fiscal 2012	75,833	10.8	10,268	30.6	10,340	33.5	5,620	40.8
3Q Fiscal 2011	68,449	10.9	7,862	45.5	7,744	42.3	3,990	44.1

Note: Comprehensive income 3Q Fiscal 2012: ¥5,612 million (40.9%)
3Q Fiscal 2011: ¥3,982 million (—%)

	Net Income per Share	Net Income per Share after Adjusting for Dilutive Effects
	Yen	Yen
3Q Fiscal 2012	177.90	176.84
3Q Fiscal 2011	102.65	102.30

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	¥ million	¥ million	%	Yen
December 31, 2011	52,350	19,836	37.9	627.43
March 31, 2011	45,716	15,103	33.0	478.39

(Reference) Shareholders' equity December 31, 2011: ¥19,836 million
March 31, 2011: ¥15,103 million

2. Status of Dividend Payment

	Annual Dividend				
	1Q	Interim	3Q	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011	—	10.00	—	19.00	29.00
Fiscal 2012	—	10.00	—		
Fiscal 2012 (Forecast)				21.00	31.00

Note: Revision to recently disclosed dividend forecasts: None

3. Projected Consolidated Performance of the Fiscal Year Ending March 2012 (From April 1, 2011 to March 31, 2012)

(% indicates increase / decrease YoY)

	Total Sales		Operating Profit		Ordinary Profit		Net Income		Net Income per Share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Full Fiscal Year	101,272	11.8	9,550	29.3	9,600	32.6	5,167	43.7	161.38

Note: Revision to recently disclosed projected consolidated performance: None

4. Others

(1) Changes in Significant Subsidiaries during the Period under Review

(Changes in special subsidiaries that caused a change in the scope of consolidation): None

(2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

1. Changes due to revision of accounting standards: None
2. Changes other than 1: None
3. Changes in accounting estimates: None
4. Restatement of prior period financial statements after error corrections: None

(4) Number of Stocks Issued and Outstanding (Common Stocks)

1. Number of stocks issued at term end (including treasury stock)

December 31, 2011	42,800,000 stocks
March 31, 2011	42,800,000 stocks

2. Number of treasury stock at term end

December 31, 2011	11,184,780 stocks
March 31, 2011	11,229,180 stocks

3. Average number of stocks issued and outstanding for the period

3Q Fiscal 2012	31,591,159 stocks
3Q Fiscal 2011	38,881,502 stocks

* Note on the status of audit procedure implementation

This Quarterly Consolidated Financial Summary is not subject to the audit procedures prescribed under the Financial Instruments and Exchange Act of Japan. As of the date this Quarterly Consolidated Financial Summary was disclosed, however, audit procedures applicable to financial statements prescribed under the aforementioned Financial Instruments and Exchange Act were in the process of being carried out.

*Explanation regarding appropriate use of projected business performance

The above projections were made based on management's assumptions and beliefs in light of currently available information. UNITED ARROWS LTD. cautions readers that due to a variety of factors actual results may differ materially from projections. Please refer to "Qualitative Information regarding Projected Performance" on page 6 of the supplementary materials to this Consolidated Financial Summary for details of underlying preconditions and an explanation regarding the appropriate use of projected business performance information.

1. Qualitative Information regarding Quarterly Financial Results

(1) Qualitative Information regarding Consolidated Business Performance

During the third quarter cumulative nine-month period from April 1, 2011 to December 31, 2011 of fiscal 2012, the fiscal year ending March 31, 2012, uncertainty surrounding future operating conditions continued to cloud the Japanese economy. Despite a gradual let up in the voluntary restraints on spending by consumers in the immediate aftermath of the Great East Japan Earthquake, this uncertainty was largely attributable to the slump in economy activity reflecting concerns with respect to restrictions on the supply of electric power, the harsh employment environment, persistent appreciation in the value of the yen, the sharp increase in raw material prices, Europe's mounting debt problem and the impact of the floods in Thailand on the manufacturing sector.

In the apparel retail industry, a positive turnaround in consumer spending reflecting recovery following the earthquake disaster and growth in sales of "cool-biz"-related apparel provided bright spots in an otherwise dull economy. The record-breaking warm winter weather in November and other factors, however, delayed sales of winter items resulting in prolonged harsh operating conditions.

Under these circumstances, the UNITED ARROWS Group worked diligently to implement measures and open new stores commensurate with the growth stage of each Group company and business while at the same time enhancing corporate value. To this end, steps were taken to put in place a management policy that emphasizes further improving profitability and surpassing the historic high consolidated ordinary profit of ¥7,639 million recorded in the fiscal year ended March 31, 2006 by strengthening collaboration between the product, sales and promotion divisions and ensuring diversified cost control.

Guided by this policy, UNITED ARROWS LTD. accordingly advanced the following two key management policies.

i. Strengthen collaboration between the product, sales and promotion divisions

The Company channeled all of its energies into strengthening and further enhancing the precision of collaboration between its core business product, sales and promotion divisions, which collectively generate UNITED ARROWS competitive advantage, in an effort to boost net sales and earnings. Putting to good use the customer information collected by the Sales Division, the Product Division bolstered activities aimed at enhancing the accuracy of its product lineup. In addition to reinforcing its sales capabilities, built on improved store management skills, the Sales Division took steps to improve the interior quality of stores. The Promotion Division in close collaboration with store-front product developments focused on strategically using all forms of publications, the website as well as social and mass media in order to boost the number of customers visiting stores. In the green label relaxing business, particular emphasis was placed on implementing large-scale sales and promotional initiatives. In addition to a series of television commercials that were aired between September and November 2011, positive results were achieved through the use of transit advertising, newspaper inserts and campaign sites.

ii. Increase productivity while ensuring diversified cost control

During the period under review, UNITED ARROWS LTD. emphasized profitability growth through cost controls finely tuned to earnings. Moreover, the Company worked diligently to improve the planning accuracy of sales initiatives and to increase the sales rate by engaging in optimal weekly management. Through these means, UNITED ARROWS LTD. successfully improved inventory efficiency. In addition, steps were taken to place considerable weight on increasing productivity by strengthening collaboration between divisions and improving daily business processes.

In the opening and closing of stores, UNITED ARROWS LTD. opened nine, eight, one, seven and two stores in its UNITED ARROWS, green label relaxing, CHROME HEARTS, small business unit and outlet store businesses, respectively, while closing one store in each of its green label relaxing, small business unit and outlet store businesses. As a result, the number of retail stores as of December 31, 2011 stood at 169 stores, and 185 stores when including outlet stores.

Turning to consolidated subsidiaries, results were impacted by delays in the delivery of products at FIGO CO., LTD. In addition to sales promotion initiatives encompassing mail magazines and a point card campaign, however, results were buoyed by a variety of factors including the popularity of limited edition mobile tool cases for smart phones and tablet terminals. During the period under review, one directly operated consolidated subsidiary store was closed and one outlet store newly opened. Taking the aforementioned into consideration, the number of directly operated retail stores stood at 10 and 11 including outlet stores as of December 31, 2011.

With an account settlement date of January each year, consolidated subsidiary COEN CO., LTD. took steps to harness the customer feedback gleaned from the Sales Division to provide products that are in high demand in a timely manner. At the same time, the company strove diligently to improve the accuracy of its product lineup. Complementing these endeavors, COEN CO., LTD. implemented a variety of sales campaigns in an effort to raise brand awareness. As a result, retail and online existing store sales were robust helping to boost revenue and return the company's earnings to the black at an ordinary profit level. During the period under review, COEN CO., LTD. opened four new stores. This brought the total number of stores to 38 as of October 31, 2011.

Based on the aforementioned measures and factors, consolidated net sales for the third quarter cumulative of the fiscal year ending March 31, 2012 amounted to ¥75,833 million, an increase of 10.8% compared with the corresponding period of the previous fiscal year. This largely reflected contributions to revenue from newly opened stores and robust sales at existing stores. From a profit perspective, the gross margin improved 0.9 of a percentage point year on year to 55.8%. Despite an increase in the disposal of merchandise including sample products, this increase was mainly attributable to an improvement in total business unit mark-down losses on a non-consolidated basis. The selling, general and administrative (SGA) expenses to total sales ratio declined 1.2 percentage points to 42.2%. Notwithstanding the increase in advertising expenses on the back of aggressive promotional measures including the placement of advertisements in magazines, televisions commercials and other media as well as the publication of catalogues and other promotional materials, this favorable result was attributable to successful efforts to lift cost efficiency.

On this basis, operating profit for the period under review totaled ¥10,268 million, up 30.6% compared with the corresponding period of the previous fiscal year. Ordinary profit also surged 33.5% year on year to ¥10,340 million. This was a record for the Group, exceeding the previous consolidated ordinary profit high of ¥7,744 million reported for the third quarter cumulative of the fiscal year ended March 31, 2011. While UNITED ARROWS incurred an extraordinary loss of ¥274 million, which included an impairment loss for the period of ¥181 million on the relocation and renewal of stores, income before income taxes for the period under review jumped 54.8% compared with the corresponding period of the previous year to ¥10,065 million. This was mainly due to the absence of the extraordinary loss totaling ¥921 million representing amortization of previous periods' asset retirement obligations following the adoption of the relevant accounting standard.

In addition, the Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating a Taxation System in response to Changes in the Structure of the Economy and Society (Act No. 114 of 2011) and the Act on Special Measures for Securing the Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake (Act No. 117 of 2011) came into effect on December 2, 2011. This in turn has led to a change in corporation tax rates effective from the accounting period commencing April 1, 2012. As a result, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will change for temporary differences expected to be eliminated effective from the fiscal year commencing April 1, 2012 resulting in an increase in income taxes — deferred. Accounting for the aforementioned, net income for the period under review climbed 40.8% compared with the corresponding period of the previous fiscal year to ¥5,620 million.

(2) Qualitative Information regarding Consolidated Financial Position

Assets

Compared with the end of the previous fiscal year, current assets increased ¥6,042 million, or 21.3%, to ¥34,384 million. While cash and deposits, notes and accounts receivable-trade as well as deferred tax assets declined ¥64 million, ¥31 million and ¥230 million, respectively, the upswing in current assets represented was mainly attributable to increases in merchandise and accounts receivable-other of ¥1,818 million and ¥4,486 million, respectively.

Noncurrent assets as of December 31, 2011 stood at ¥17,966 million, up ¥592 million, or 3.4%, compared with the previous fiscal year-end. The principal increases were in buildings and structures of ¥629 million due mainly to the opening of new stores and guarantee deposits, which climbed ¥131 million. The major decrease in noncurrent assets was intangible noncurrent assets, which contracted ¥172 million.

Liabilities

Total current liabilities came to ¥25,718 million as of December 31, 2011, down ¥1,766 million, or 6.4%, compared with the end of the previous fiscal year. Despite increases of ¥2,398 million, ¥1,784 million and ¥2,530 million in notes and accounts payable-trade, current portion of long-term loans payable and income taxes payable, respectively, this decrease was mainly attributable to declines of ¥8,400 million and ¥657 million in short-term loans payable and provision for bonuses, respectively.

Total noncurrent liabilities stood at ¥6,796 million, an increase of ¥3,667 million, or 117.3%, compared with the balance as of March 31, 2011. The principal movement was in long-term loans payable, which climbed ¥3,420 million.

Net Assets

Total net assets amounted to ¥19,836 million, an increase of ¥4,733 million, or 31.3%, compared with the end of the previous fiscal year. Retained earnings rose ¥5,620 million reflecting quarterly net income and decreased ¥915 million representing the payment of cash dividends.

(3) Qualitative Information regarding Projected Performance

There is no change to projected consolidated business performance for the full fiscal year ended March 31, 2012 announced previously on January 27, 2012.

2. Items regarding Summary Information (other)

(1) Changes in significant subsidiaries during the cumulative quarter under review

Not applicable

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates and restatement of corrections

Not applicable

3. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2011 (as of March 31, 2011)	3Q Fiscal 2012 (as of December 31, 2011)
Assets		
Current assets		
Cash and deposits	5,640	5,575
Notes and accounts receivable-trade	257	225
Merchandise	15,698	17,517
Supplies	169	222
Accounts receivable-other	5,108	9,594
Other	1,509	1,274
Allowance for doubtful accounts	(40)	(26)
Total current assets	28,342	34,384
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures (net)	6,592	7,221
Other (net)	1,596	1,679
Total tangible noncurrent assets	8,189	8,900
Intangible noncurrent assets		
Other	1,885	1,713
Total intangible assets	1,885	1,713
Investments and other assets		
Guarantee deposits	6,224	6,355
Other	1,079	1,001
Allowance for doubtful accounts	(4)	(4)
Total investments and other assets	7,299	7,352
Total noncurrent assets	17,373	17,966
Total assets	45,716	52,350
Liabilities		
Current liabilities		
Notes and accounts payable-trade	7,193	9,592
Short-term loans payable	12,800	4,400
Current portion of long-term loans payable	2,094	3,878
Income taxes payable	600	3,130
Provision for bonuses	1,233	576
Provision for directors' bonuses	60	—
Other	3,503	4,140
Total current liabilities	27,484	25,718
Noncurrent liabilities		
Long-term loans payable	1,238	4,658
Provision for directors' retirement benefits	91	91
Asset retirement obligations	1,791	1,999
Other	7	46
Total noncurrent liabilities	3,128	6,796
Total liabilities	30,613	32,514
Net assets		
Shareholders' equity		
Capital stock	3,030	3,030
Capital surplus	4,095	4,095
Retained earnings	19,514	24,209
Treasury stock	(11,537)	(11,492)
Total shareholders' equity	15,102	19,843
Accumulated other comprehensive income		
Other valuation adjustments on securities	(11)	(3)
Deferred gains or losses on hedges	12	(3)
Total accumulated other comprehensive income	0	(6)
Total net assets	15,103	19,836
Total liabilities and net assets	45,716	52,350

(2) Quarterly Statements of Consolidated Income and Comprehensive Income
Quarterly Statements of Consolidated Income
Third Quarter (Nine Months Cumulative)

(Millions of yen)

	Previous 3Q (Nine Months Cumulative) (From April 1, 2010 to December 31, 2010)	Current 3Q (Nine Months Cumulative) (From April 1, 2011 to December 31, 2011)
Net sales	68,449	75,833
Cost of sales	30,876	33,529
Gross profit	37,572	42,303
Selling, general and administrative expenses	29,709	32,035
Operating profit	7,862	10,268
Non-operating profit		
Interest income	1	0
Dividends income	4	4
Foreign exchange gains	25	47
Purchase discounts	27	29
Other	79	128
Total non-operating profit	138	210
Non-operating expenses		
Interest expenses	105	107
Commission fee	118	0
Other	33	30
Total non-operating expenses	256	138
Ordinary profit	7,744	10,340
Extraordinary income		
Gain on sales of noncurrent assets	3	0
Reversal of provision for loss on store closing	77	—
Other	19	—
Total extraordinary income	100	0
Extraordinary loss		
Loss on retirement of noncurrent assets	58	25
Impairment loss	351	181
Loss on valuation of investment securities	—	60
Loss on adjustment for changes of accounting standard for asset retirement obligations	921	—
Other	11	6
Total extraordinary loss	1,342	274
Income before income taxes	6,502	10,065
Income taxes-current	1,951	4,073
Income taxes-deferred	560	372
Total income taxes	2,511	4,445
Income before minority interests	3,990	5,620
Net income	3,990	5,620

Quarterly Statements of Consolidated Comprehensive Income
Third Quarter (Nine Months Cumulative)

(Millions of yen)

	Previous 3Q (Nine Months Cumulative) (from April 1, 2010 to December 31, 2010)	Current 3Q (Nine Months Cumulative) (from April 1, 2011 to December 31, 2011)
Income before minority interests	3,990	5,620
Other comprehensive income		
Other valuation adjustments on securities	(3)	7
Deferred gains or losses on hedges	(5)	(15)
Total other comprehensive income	(8)	(7)
Quarterly comprehensice income	3,982	5,612
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	3,982	5,612
Quarterly comprehensive income attributable to minority interests	—	—

(3) Quarterly Statements of Consolidated Cash Flows

(Millions of yen)

	Previous 3Q (Nine Months Cumulative) (From April 1, 2010 to December 31, 2010)	Current 3Q (Nine Months Cumulative) (From April 1, 2011 to December 31, 2011)
Cash flows from operating activities		
Income before income taxes	6,502	10,065
Depreciation and amortization	1,012	1,033
Depreciation of intangible assets	234	240
Amortization of long-term prepaid expenses	60	70
Impairment loss	351	181
Amortization of goodwill	159	—
Increase (decrease) in provision for bonuses	(1,002)	(657)
Increase (decrease) in provisions for directors' bonuses	—	(60)
Increase (decrease) in provision for loss on store closing	(418)	—
Increase (decrease) in allowance for doubtful accounts	(0)	(14)
Interest and dividend income	(5)	(4)
Loss (gain) on valuation of investment securities	—	60
Loss on adjustment for changes of accounting standard for asset retirement obligations	921	—
Interest expenses	105	107
Loss of retirement of property, plant and equipment	5	7
Gain (loss) on sales of property, plant and equipment	(3)	(0)
Decrease (increase) in notes and accounts receivable-trade	(2,618)	(4,443)
Decrease (increase) in inventories	(1,350)	(1,872)
Decrease (increase) in other current assets	(11)	(28)
Increase (decrease) in notes and accounts payable-trade	1,597	2,398
Increase (decrease) in other current liabilities	81	726
Increase (decrease) in other noncurrent liabilities	6	(3)
Other	0	—
Subtotal	5,628	7,809
Interest and dividend income received	5	4
Interest expenses paid	(102)	(105)
Income taxed paid	(3,131)	(1,676)
Net cash provided by operating activities	2,399	6,031
Cash flows from investing activities		
Payments into time deposits	(53)	(9)
Purchase of property, plant and equipment	(1,448)	(1,581)
Payments for retirement of property, plant and equipment	—	(89)
Purchase of intangible assets	(133)	(128)
Purchase of long-term prepaid expenses	(111)	(152)
Payment for guarantee deposits	(4)	(484)
Proceeds from collection of guarantee deposits	—	353
Proceeds from sales of property, plant and equipment	3	1
Other	(0)	4
Net cash used in investing activities	(1,747)	(2,087)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	12,360	(8,400)
Proceeds from increase in long-term loans payable	—	8,000
Repayment of long-term loans payable	(1,546)	(2,794)
Purchase of treasury stock	(10,700)	—
Proceeds from disposal of treasury stock	31	36
Cash dividends paid	(1,113)	(859)
Net cash used in financing activities	(968)	(4,017)
Effect of exchange rate change on cash and cash equivalents	—	—
Increase (decrease) in cash and cash equivalents	(316)	(73)
Cash and cash equivalents at beginning of term	4,061	5,471
Cash and cash equivalents at end of the quarterly term	3,745	5,398

(4) Notes on Premises as a Going Concern

The third quarter cumulative of the fiscal year under review (April 1, 2011 to December 31, 2011)

Not applicable

(5) Notes on Significant Changes in Shareholders' Equity

The third quarter cumulative of the fiscal year under review (April 1, 2011 to December 31, 2011)

Not applicable