



UNITED ARROWS LTD.



# **Fiscal Year Ended March 2007**

# **Earnings Announcement**

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**UNITED ARROWS LTD.**





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In this material, a fractional sum less than one million yen in disregarded and percentage is calculated from raw data.

[Cautionary statement]

Business performance forecasts and objective views stated in this material are based on decisions made from information that UNITED ARROWS LTD. could obtain at present, and therefore include risks and uncertainty. Thus, please refrain from making investment decisions fully depending on this material. Please bear in mind that actual business performance can change largely depending on worldwide economy, market conditions, currency fluctuation, etc.

[Indication of business units in this material]

Abbreviation of each business unit, structure of business are as below;

Main business pillars = UNITED ARROWS: UA, green label relaxing: GLR, CROME HEARTS: CH

Small Business Unit: S.B.U. = Another Edition: AE, Jewel Changes : JC, Odette é Odile UNITED ARROWS: OEO, DRAWER: DRW, DARJEELING DAYS: DD, Disney Loved By Nature for UNITED ARROWS: DLN

UA Labs = TOKISHIRAZU: TSZ, Liquor,woman &tears: LWT





## • Financial Results of FYE March 2007 and Earnings Forecast for FYE March 2008

### 1. FYE March 2007 P/L Results (Consolidated)

- Consolidated results: Sales 60,959 MM yen (113.3% YoY, 100.2% vs Plan), Recurring Profit 7,337 MM yen (96.0% YoY, 92.8% vs Plan), Net Income 3,511 MM yen (86.1% YoY, 83.3% vs Plan)
- Calculation disregarding devaluation of inventory (total 875 MM yen) caused by early application of accounting method on valuation of inventory assets is noted on the right hand side.

(unit: million yen)

	Consolidated Results (FYE Mar 2007 Full Term)						cf: Calculation disregarding valuation loss (FYE Mar 2007 Full Term)					
	Results vs Sales		+/- YoY		+/- Plan		Results vs Sales		+/- YoY		+/- Plan	
			YoY		vs Plan				YoY		vs Plan	
Sales	60,959	100.0%	7,146	113.3%	113	100.2%	60,959	100.0%	7,146	113.3%	113	100.2%
Gross Profit	33,072	54.3%	4,053	114.0%	▲ 507	98.5%	33,407	54.8%	4,389	115.1%	▲ 171	99.5%
SGA Expenses	25,721	42.2%	4,366	120.4%	105	100.4%	25,721	42.2%	4,366	120.4%	105	100.4%
Operating Profit	7,350	12.1%	▲ 312	95.9%	▲ 612	92.3%	7,686	12.6%	23	100.3%	▲ 276	96.5%
Non Op. Profit / Loss	▲ 13	0.0%	10	-	39	24.9%	▲ 13	0.0%	10	-	39	24.9%
Recurring Profit	7,337	12.0%	▲ 301	96.0%	▲ 572	92.8%	7,673	12.6%	33	100.4%	▲ 237	97.0%
Extraordinary Profit / Loss	▲ 1,112	-1.8%	▲ 549	197.5%	▲ 581	209.4%	▲ 572	-0.9%	▲ 9	101.6%	▲ 41	107.7%
Pre-tax Profit	6,224	10.2%	▲ 851	88.0%	▲ 1,154	84.4%	7,100	11.6%	24	100.4%	▲ 278	96.2%
Net Income	3,511	5.8%	▲ 564	86.1%	▲ 702	83.3%	-	-	-	-	-	-



# 1. FYE March 2007 P/L Results (Non-consolidated)

•Non-consolidated results: Sales 58,666 MM yen (111.5% YoY, 100.0% vs Plan), Recurring Profit 7,156 MM yen (96.2% YoY, 92.0% vs Plan), Net Income 3,540 MM yen (87.8% YoY, 82.7% vs Plan)

•Calculation disregarding devaluation of inventory (total 875 MM yen) caused by early application of accounting method on valuation of inventory assets is noted on the right hand side.

(unit: million yen)

	cf: Non-consolidated Results (FYE Mar 2007 Full Term)						cf: Calculation disregarding valuation loss (FYE Mar 2007 Full Term)					
	Results		+/- YoY		+/- Plan		Results		+/- YoY		+/- Plan	
	vs Sales		YoY		vs Plan		vs Sales		YoY		vs Plan	
Sales	<b>58,666</b>	100.0%	6,056	111.5%	▲ 9	100.0%	<b>58,666</b>	100.0%	6,056	111.5%	▲ 9	100.0%
Gross Profit	<b>31,752</b>	54.1%	3,453	112.2%	▲ 560	98.3%	<b>32,088</b>	54.7%	3,789	113.4%	▲ 225	99.3%
SGA Expenses	<b>24,603</b>	41.9%	3,792	118.2%	123	100.5%	<b>24,603</b>	41.9%	3,792	118.2%	123	100.5%
Operating Profit	<b>7,148</b>	12.2%	▲ 338	95.5%	▲ 684	91.3%	<b>7,484</b>	12.8%	▲ 2	100.0%	▲ 348	95.6%
Non Op. Profit / Loss	<b>7</b>	0.0%	52	-	64	-	<b>7</b>	0.0%	52	-	64	-
Recurring Profit	<b>7,156</b>	12.2%	▲ 285	96.2%	▲ 619	92.0%	<b>7,492</b>	12.8%	50	100.7%	▲ 283	96.3%
Extraordinary Profit / Loss	<b>▲ 1,084</b>	-1.8%	▲ 513	189.9%	▲ 561	207.3%	<b>▲ 544</b>	-0.9%	26	95.3%	▲ 21	104.0%
Pre-tax Profit	<b>6,071</b>	10.3%	▲ 799	88.4%	▲ 1,181	83.7%	<b>6,947</b>	11.8%	76	101.1%	▲ 305	95.8%
Net Income	<b>3,540</b>	6.0%	▲ 491	87.8%	▲ 738	82.7%	<b>-</b>	-	-	-	-	-





# 1. FYE March 2007 B/S Results (Consolidated / Non-consolidated)

•Consolidated Total Assets: 107.9% YoY at 38,132 MM yen

•Non-consolidated Total Assets: 108.2% YoY at 37,489 MM yen

•Increase / decrease in Consolidated B/S

Current Assets: Cash -4.6 Bn yen, Inventory Assets +3.2 Bn yen, Accounts Receivable from Property Developers +1.0 Bn yen

Fixed Assets: Tangible / Intangible Fixed Assets +1.8 Bn yen (due to increase in operating facilities), Guarantee Money Deposited +800 MM yen

Liability: Accounts Payable +1.7 Bn yen, Long and short term borrowings -1.9 Bn yen

	Consolidated Results			<cf>	UA Alone Results			<cf>
	(FYE March 2007 term end)			Consolidated YoY	(FYE March 2007 term end)			Consolidated YoY
	Composition	+/-	YoY	Composition	Composition	+/-	YoY	Composition
	Results		YoY	Results	Results		YoY	Results
	100.0%			100.0%	100.0%			100.0%
Total Assets	38,132	2,797	107.9%	35,334	37,489	2,839	108.2%	34,649
	61.6%			66.2%	58.8%			63.9%
Current Assets	23,478	100	100.4%	23,378	22,041	▲ 116	99.5%	22,157
	38.4%			33.8%	41.2%			36.1%
Fixed Assets	14,654	2,697	122.6%	11,956	15,448	2,956	123.7%	12,492
	16.5%			15.2%	16.6%			15.5%
Tangible Fixed Assets	6,312	927	117.2%	5,384	6,227	872	116.3%	5,355
	7.7%			5.7%	4.9%			1.7%
Intangible Fixed Assets	2,941	915	145.2%	2,025	1,821	1,232	309.4%	588
	14.2%			12.9%	19.7%			18.9%
Investments, etc	5,401	854	118.8%	4,546	7,399	851	113.0%	6,548
	43.7%			44.1%	42.7%			43.2%
Current Liabilities	16,646	1,063	106.8%	15,582	16,021	1,069	107.2%	14,951
	10.1%			14.7%	10.3%			14.9%
Fixed Liabilities	3,850	▲ 1,336	74.2%	5,187	3,845	▲ 1,331	74.3%	5,177
Net Assets	46.2%			41.2%	47.0%			41.9%
(Shareholders' Equity)	17,635	3,070	121.1%	14,565	17,622	3,101	121.4%	14,520

(unit: million yen)





## 2. Overview of Full Term Plan for FYE March 2008 (Consolidated / Non-consolidated)

### •Forecast for FYE March 2008

➤Consolidated Sales: 125.9% YoY at 76,746 MM yen

➤SGA Expenses: 129.9% YoY due to increase of sales staff in new shops and increase of headcount in Head Office

➤Operating Profit and Recurring Profit: around 110% YoY

➤Consolidated Net Income: increase by 169.3% YoY to 5,945 MM yen including Extraordinary Profit / Loss (approx. 2.5 billion yen) caused by sale of fixed assets

	Consolidated Full Term Plan (FYE March 2008)				<cf> YoY		cf: Non-consolidated Full Term Plan (FYE March 2008)				<cf> Alone YoY	
	Plan vs Sales		+/- YoY YoY		Results vs Sales		Plan vs Sales		+/- YoY YoY		Results vs Sales	
Sales	76,746	100.0%	15,786	125.9%	60,959	100.0%	74,098	100.0%	15,431	126.3%	58,666	100.0%
Gross Profit	41,562	54.2%	8,490	125.7%	33,072	54.3%	40,177	54.2%	8,424	126.5%	31,752	54.1%
SGA Expenses	33,414	43.5%	7,692	129.9%	25,721	42.2%	32,168	43.4%	7,564	130.7%	24,603	41.9%
Operating Profit	8,147	10.6%	797	110.9%	7,350	12.1%	8,009	10.8%	860	112.0%	7,148	12.2%
Non Op. Profit / Loss	▲ 9	0.0%	3	73.4%	▲ 13	0.0%	▲ 9	0.0%	▲ 16	-	7	0.0%
Recurring Profit	8,138	10.6%	801	110.9%	7,337	12.0%	8,000	10.8%	843	111.8%	7,156	12.2%
Extraordinary Profit / Loss	2,351	3.1%	3,464	-	▲ 1,112	-1.8%	2,367	3.2%	3,452	-	▲ 1,084	-1.8%
Net Income	5,945	7.7%	2,433	169.3%	3,511	5.8%	6,054	8.2%	2,513	171.0%	3,540	6.0%





## Cf. Overview of 1H and 2H Plans of FYE March 2008 (Non-consolidated)

### •Notes for 1H Plan

➤**Gross Profit:** Gross profit margin is expected to decline compared to the last fiscal year

composition of outlet sales is expected to rise (8.7% 10.3%), will continue to search for best MD balance of retail products (by increasing miscellaneous goods, shifting to domestic production)

➤**SGA expenses:** Staff in back office and front office (business section in head office) are expected to increase especially in the 1H. There will be temporary rise personnel costs due to increase in number of staff for new stores (cf. Net increase of stores in FYE March 2008 1H: 21 stores vs FYE March 2007: 15 stores, all stores that opened in FYE March 2007 1H were stores that transferred into new UNITED ARROWS and BEAUTY & YOUTH.)

	1H Plan (FYE March 2008)				<cf> YoY	2H Plan (FYE March 2008)				<cf> Alone YoY
	Plan vs Sales	+/- YoY vs Sales		Actual vs Sales		Plan vs Sales	+/- YoY vs Sales		Actual vs Sales	
Sales	31,750 100.0%	6,061	123.6%	25,689 100.0%		42,348 100.0%	9,370	128.4%	32,977 100.0%	
Gross Profit	17,078 53.8%	2,879	120.3%	14,198 55.3%		23,099 54.5%	5,545	131.6%	17,554 53.2%	
SGA Expenses	15,054 47.4%	3,496	130.3%	11,557 45.0%		17,113 40.4%	4,067	131.2%	13,045 39.6%	
Operating Profit	2,023 6.4%	▲ 616	76.6%	2,640 10.3%		5,985 14.1%	1,477	132.8%	4,508 13.7%	
Non Op. Profit / Loss	▲ 7 0.0%	▲ 7	-	0 0.0%		▲ 1 0.0%	▲ 9	-	7 0.0%	
Recurring Profit	2,016 6.3%	▲ 623	76.4%	2,640 10.3%		5,983 14.1%	1,467	132.5%	4,516 13.7%	
Extraordinary Profit / Loss	2,485 7.8%	2,935	-	▲ 450 -1.8%		▲ 117 -0.3%	516	18.6%	▲ 634 -1.9%	
Net Income	2,628 8.3%	1,358	207.0%	1,270 4.9%		3,425 8.1%	1,155	150.9%	2,270 6.9%	

(unit: million yen)



2. Overview of Sales Plan for FYE March 2008 (Consolidated / Non-consolidated)

- **Total Consolidated Sales: 125.9% YoY, 76,746 MM yen (plan)**
- **Total Non-consolidated Sales: 126.3% YoY, 74,098 MM yen (plan)**
- **Sales of existing stores: 106.5% YoY (plan)**

(unit: million yen)

	FYE March 2008 Plan			<cf>
	Plan	+/- YoY		FYE March 2007
		YoY		
Consolidated Total Sales	76,746	15,786	125.9%	60,959
UA Alone Total Sales	74,098	15,431	126.3%	58,666
Business Unit Total	67,336	13,555	125.2%	53,781
UA business	37,743	5,672	117.7%	32,071
GLR business	14,503	2,774	123.7%	11,728
CH business	3,035	▲ 45	98.5%	3,081
S.B.U. and UA Labs	12,053	5,153	174.7%	6,900
Outlet	6,762	1,876	138.4%	4,885
Existing stores	-	-	106.5%	101.5%
UA existing		-	105.2%	102.0%
GLR existing		-	107.8%	97.8%
CH existing		-	97.7%	99.3%
S.B.U. and UA Labs existing		-	115.5%	108.5%



## 2. Plans of store openings (removal) / transfer / extension (UA alone)

- New opening stores: 35 stores (1H: 22 stores, 2H: 13 stores), removal: 1 store (transfer within area)  
net increase of stores : 34 stores in FYE March 2008  
(cf. net increase in FYE March 2007: 25 stores)
- total number of stores at the term end: 138 (plan)

Number of store openings by business							Planned renewals/extensions		
		Number of Stores	New stores planned			Transform/ Close	FYE Mar/07 Estimate	Planned transfer/renewal/extension	
			Full term	1H	2H			Full term	1H 2H
<b>Total</b>		<b>104</b>	<b>35</b>	<b>22</b>	<b>13</b>	<b>1</b>	<b>138</b>	<b>6</b>	<b>4 2</b>
<b>Core</b>	<b>UA Biz.</b>	<b>UA Biz. Total</b>	<b>31</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>40</b>	<b>2</b>	<b>1 1</b>
		Existing UA	19				19	2	1 1
		UA Label Image Store	5	4	3	1	9		
		New UA	4	3	2	1	7		
		B&Y	3	2	1	1	5		
	<b>Biz.</b>	<b>GLR Biz. Total</b>	<b>32</b>	<b>8</b>	<b>2</b>	<b>6</b>	<b>40</b>	<b>1</b>	<b>1</b>
		GLR	27	8	2	6	35	1	1
		GLR New Form	5				5		
	<b>CH</b>		<b>3</b>	<b>1</b>	<b>1</b>		<b>4</b>		
	<b>S.B.U. and UA Labs Total</b>		<b>38</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>54</b>	<b>3</b>	<b>3</b>
<b>S.B.U. and UA Labs</b>	<b>S.B.U.</b>	Another Edition	11	2	2		13	1	1
		Jewel Changes	3	3	3		6		
		Odette é Odile	11	6	5	1	17	1	1
		DRAWER	4	1	1		5	1	1
		DARJEELING DAYS	4				4		
		Disney Loved By Nature for UA	2	1		1	3		
		New S.B.U.		2	1	1	2		
		TOKISHIRAZU	2	2	2		3		
	<b>UA Labs</b>	Liquor, woman and tears	1				1		

UA Label Image Store = (THE SOVEREIGN HOUSE: 1, District UNITED ARROWS: 1, Cath Kidston: 1)

Timing of store openings may differ from mentioned above.



## Cf. Details of Store Openings/Transfer/Removal (Definite Projects only)

### Details of Store Openings/Transfer/Removal for FYE March 2008 (Definite Projects only)

Form	Biz	Business unit	Outline	Timing	Store name	Name of facility	Space (m²)	Opening day
New Stores	UA	New UA	new	Apr	Marunouchi	Shin-Marunouchi Building	total space 545	27-Apr
			new	Fall	Roppongi	Roppongi area	total space 429	Fall 2007
			new	Fall	Omiya	Omiya area, Saitama City	total space 384	Fall 2007
		B&Y	new	Aug	Shibuya Cat Street	former place of Changes UA	total space 379	17-Aug
			new	Fall	Machida	Machida area	total space 429	Fall 2007
			new	Fall	Omiya	Omiya area, Saitama City	total space 408	Fall 2007
	GLR	GLR General Store	new	Fall	Nagoya Hoshigaoka	Hoshigaoka Terrace	total space 383	Fall 2007
			new	Sep	Ueno	Ueno area	total space 263	Sep-07
			new	Fall	Urawa	Urawa area, Saitama City	total space 370	Fall 2007
	S.B.U. and UA Labs	Another Edition	new	Fall	Yurakucho	Yurakucho area	total space 116	Fall 2007
		Odette é Odile	new	Apr	Marunouchi	Shin-Marunouchi Building	total space 92	27-Apr
			new	Apr	Nagoya Lachic	Lachic	total space 129	27-Apr
			new	Fall	Ginza	Marronnier Gate	total space 116	Early Fall 2007
			new	Fall	Machida	Machida area	total space 86	Fall 2007
		TOKISHIRAZU	new	Apr	Nagoya	Nagoya PARCO	total space 101	20-Apr
			new	Jun	Harajuku TOKISHIRAZU	Harajuku 80 Building	total space 73	28-Jun
	Outlet		new	Apr	Chitose	Chitose RERA	total space 493	20-Apr
Transfer	GLR	GLR General Store	transfer	Oct	Machida	New facility	total space 330	5-Oct
Removal	UA Labs	TOKISHIRAZU	removal	May	Shibuya TOKISHIRAZU	Roadside store	floor space 37	transfer to Harajuku

Floor spaces are approximately 80% to 85% of total space.

There are information of some properties that cannot be disclosed at present (timing of opening, name of commercial facility, size of store, etc).

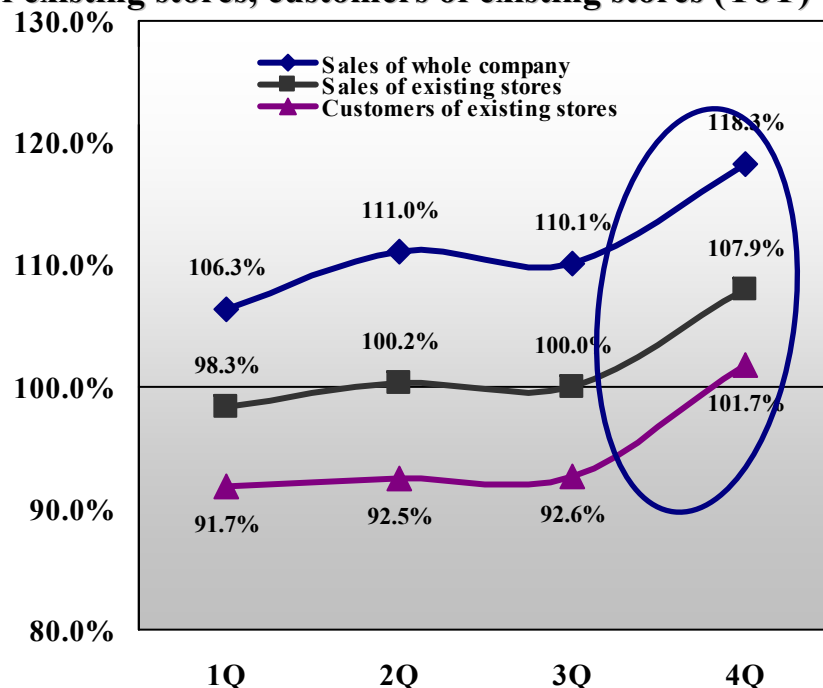


## • Overview of FYE March 2007 and High Priority Issues for FYE March 2008

### 1. Overview of Business Results

- Sales: Full term sales of total business units were slightly short of forecasts, but has been rising since 4Q.
  - Consolidated Recurring Profit did not meet forecasts by 4.2% (JPY 330 MM yen) due to booking of devaluation of inventory assets caused by early application of accounting methods.
- Disregarding change in accounting method, Recurring Profit did not meet plans by 3.0% (JPY 230 MM yen).

Historical growth of sales of whole company, sales of existing stores, customers of existing stores (YoY)



FYE March 2007 Financial Overview

	Actual (JPY Bn)	YoY	vs Plan
Consolidated Sales	60.9	13.3%	0.2%
UA Alone Sales	58.6	11.5%	0.0%
Business Unit Total	53.7	11.9%	-1.1%
Outlet	4.8	7.8%	13.4%
Consolidated Gross Profit	33.0	14.0%	-1.5%
Consolidated Recurring Profit	7.3	-4.0%	-7.2%
Consolidated Net Income	3.5	-13.9%	-16.7%



## 2. Overview of Issues covered in FYE March 2007

### High Priority Issues for the whole company

#### 1H

Promotion of following four important issues, switch policy from “structural reform” to “strengthening of structure”

#### 2H

Close cooperation between “Merchandise” and “Sales” section, strengthen goals set in 1H

### Important Issues in Merchandise section

Promotion of 52 week Merchandising

Strengthening development of in-house products

•Revision of basic merchandize strategy  
promote penetration of policy

Establish an organization to promote stronger

### Important Issues in Sales section

Strengthen \*CRM starting from house cards

Maximizing sales by promoting store operation efficiency

•Start revision of basic sales strategy  
•Preparation for the establishment of Sales Supervising Department

cooperation between “Merchandise” and “Sales” section

\*CRM = Customer Relationship Management



## Measures of Head Office

### 1H

**Strengthen board members, strengthen both front office and back office**

**Board members:**  
(4 founders + officer in charge of operation, officer in charge of sales support)

**Staff: operation led by managing directors with specialized skills and knowledge**

**Business Unit:**  
4 main business pillars; UA, GLR  
Brand Business (CH), S.B.U.

### 2H

**Complete organizational change in 1H and prepare for a stronger organization in FYE March 2008**

**Placement of strategic advisor (to become a board member after approval in shareholders' meeting in June 2007)**

Acquisition Development and Execution Dept.,  
Business Management Dept.,  
Compliance Dept.

Preparation of new departments  
•Sales Supervising Dept.  
•Brand Management Office

GLR  
Market Planning Dept.

Preparation of new departments  
•UA Sales Strategy Dept.  
•UA Rebranding Planning Office, etc.





## Measures of Main Business Units

**1H**

### **UA Business**

- Preparation of new openings of rebranded stores
- Preparation of 52 week MD starting from Women's apparel
- Introduction of house cards (from Feb)

**2H**

- Start opening rebranded stores  
promote acknowledgement of new store brands
- Operation of 52 week MD
- Hire apparel experienced manager as head of Men's merchandise department
- Start weekly events

### **GLR Business**

- Open new type stores (from S/S 2006)
- Improve store operation efficiency ahead of other business units
- Further progress of 52 week MD

- Place Fashion Director
- Establish Market Planning Division
- Strengthen training system within Department
- Introduction of house cards



### 3. Issues that need to solved or improved

Merchandise Strategy	<ul style="list-style-type: none"> <li>•52 week Merchandising has been introduced in main business units, but product development ability needs to be strengthened.</li> <li>•Basic merchandise policy has been revised and has started to cause good effect on product development, but complete penetration has not been fully achieved.</li> <li>•Head of Men's merchandise section has been hired after UA Women's merchandise section as a part of measure to strengthen merchandise sections of main business units, but total product strength has not become strong enough yet.</li> </ul>
Sales Strategy	<ul style="list-style-type: none"> <li>•Not enough concrete measures to improve level of service of sales clerks.</li> <li>•Introduction of house cards is needed so that they can be used commonly disregarding business units.</li> <li>•Only partial improvement of store operation efficiency has taken place. More improvement must be made for total effect to reduce time of additional work other than time to serve customers.</li> </ul>
Strategy By Business	<ul style="list-style-type: none"> <li>•Improvement of acknowledgement of BEAUTY &amp; YOUTH UNITED ARROWS (new UA store brand) is needed.</li> <li>•Merchandising section of GLR has been strengthened (by placing fashion director, etc) but sales have not improved</li> </ul>
Other Strategies	<ul style="list-style-type: none"> <li>•Most appropriate level of inventory must be found.</li> </ul>



#### 4. High Priority Issues for FYE March 2008

**Solving issues continuing from previous term,  
growing and expanding business in the mid to long run**

**1. Strengthen Sales Section**

**2. Strengthen Merchandise Section**

**3. Other Important Strategies for Management**



## **1. Strengthen Sales Section**

- Revise and penetrate basic sales strategy
- Draft and penetrate basic customer strategy
- Promote horizontal house card strategy
- Maximize customer satisfaction by improving employee satisfaction  
(Promoting part time workers to full time workers      strengthen headcount, aim lower turnover, improve education system)

## **2. Strengthen Merchandise Section**

- Penetrate and enforce basic merchandise strategy
- Strengthen development of in-house products and selection of procured products
- Build production system that will enable additional production of main products during the middle of the term
- Finding most appropriate merchandising balance  
(procured products /in-house developed products, country of production, etc)



### **3. Other important strategies for management**

- Finding most appropriate level of inventory
- Brand management to promote multi-brand business strategy
- Strengthening compliance, preparation for J-SOX
- Research of new business domain



**Through these strategies, we will try to achieve high sales growth every term and keep on setting new standards of Japanese lifestyle and culture.**

**Additionally, we aim to grow values for all of our stakeholders (customers, shareholders, trading partners, employees, society)**



# .New Mid-term Plan

**New mid-term goals to set new standards of Japanese lifestyle and culture**

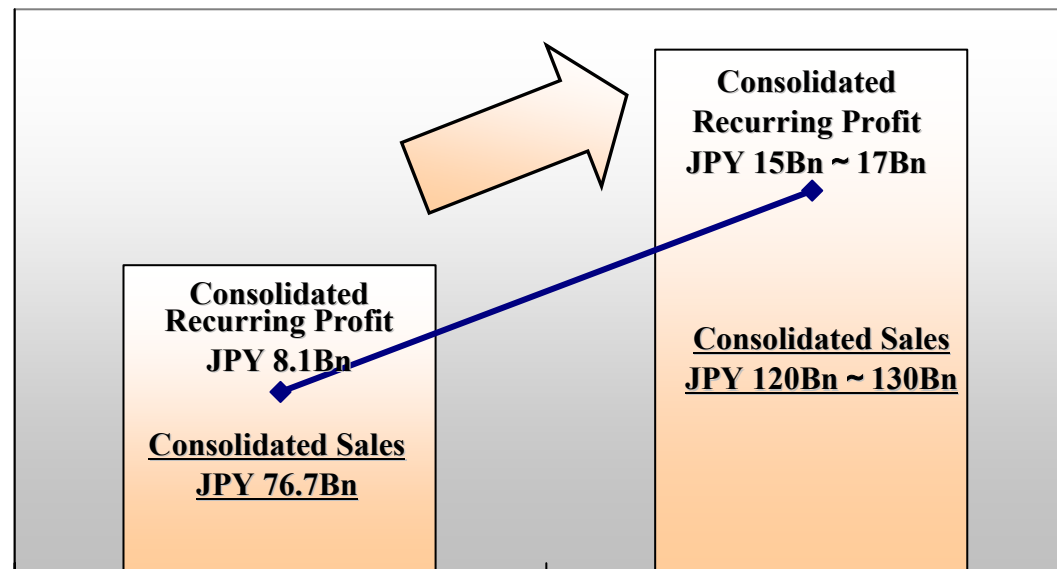
**FYE March 2011**

**Consolidated Sales: JPY 120 Bn ~ JPY 130 Bn**

**Consolidated Recurring Profit: JPY 15 Bn ~ JPY 17 Bn**

**FYE Mar 2008 (est)**

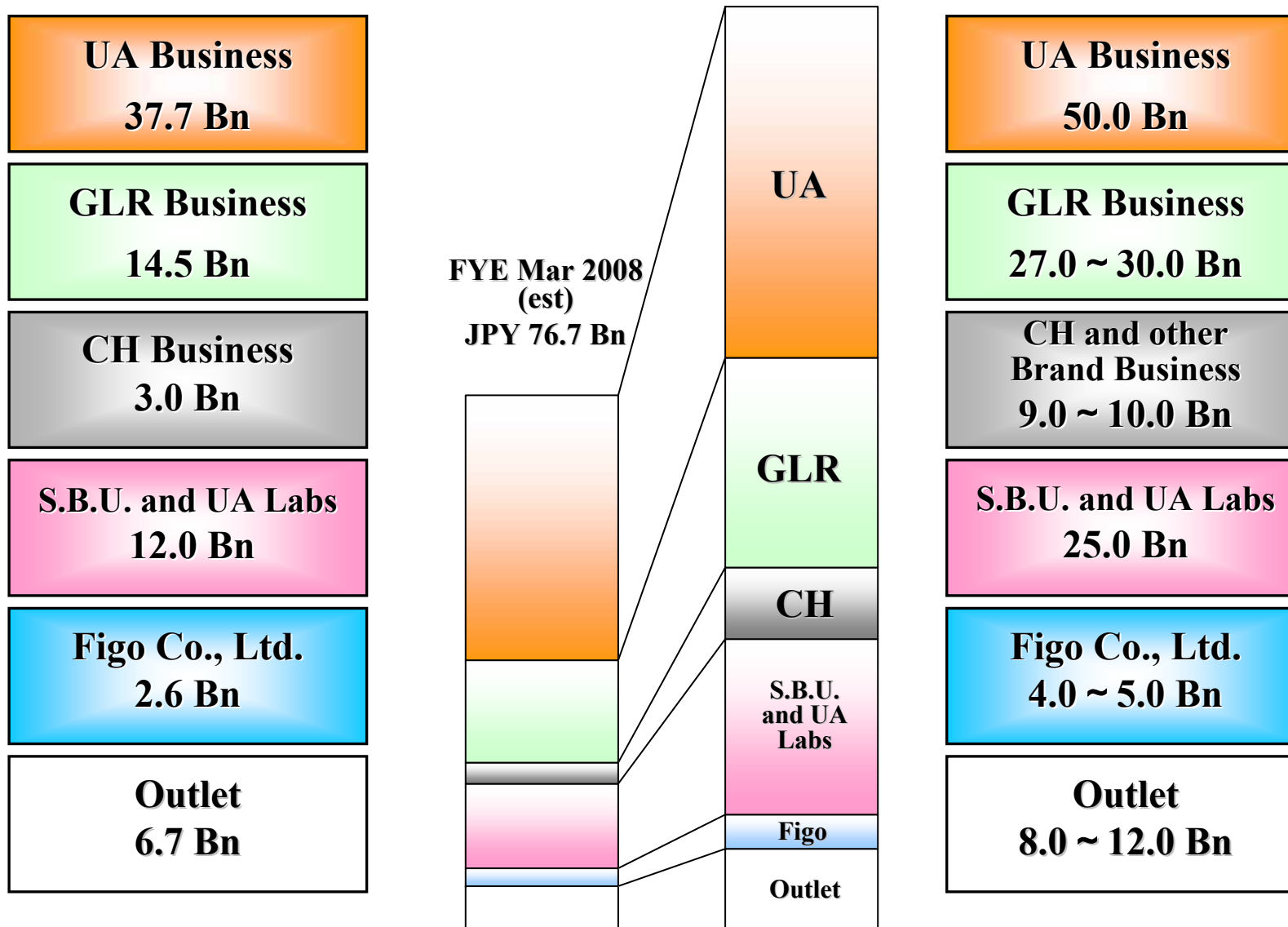
**FYE Mar 2011**







# 1. Sales Goals by Business (in JPY) FYE Mar 2011 Goal JPY 120.0 ~ 130.0 Bn





## **Cf. Growth Image of Each Business**

### **UA Business**

**(UA 24 stores, BY 25 stores or more)**

- Promote opening of rebranded stores
- Strengthen Men's apparel
- Grow and expand Women's apparel and miscellaneous goods (shoes, bags, etc)

### **GLR Business (60 stores)**

- Accelerate store openings, expand sales area (possibility of opening stores in large shopping centers in suburban areas)
- Flexible store openings (product lineup, size of store, etc.) considering character of district and commercial facility

### **CH, other Brand Business**

**(CH: 10 stores + new brand)**

- Aggressively expand stores of CH business
- Find new brands (ex. Cath Kidston)

### **S.B.U. and UA Labs**

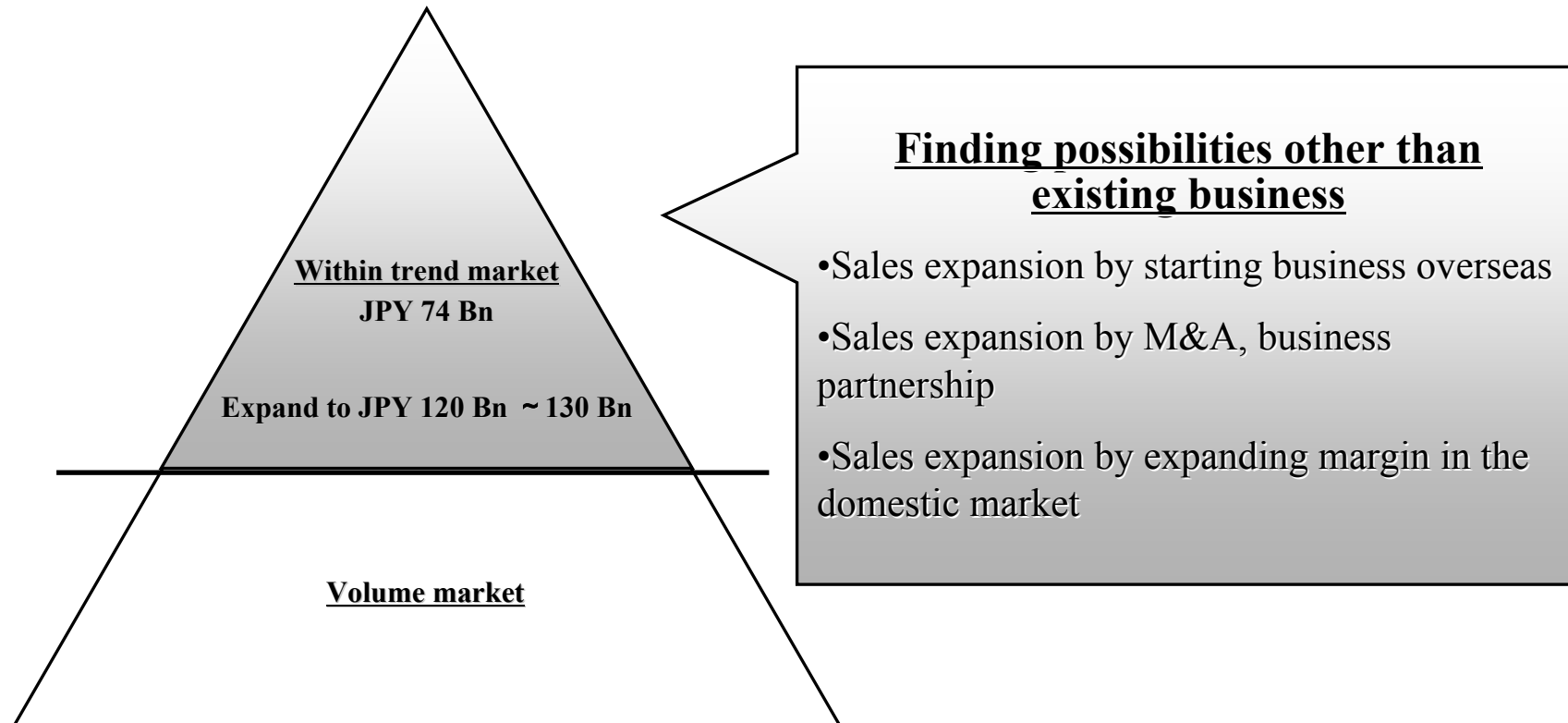
**(business, number of stores undecided)**

- Active store openings, expansion of existing business
- Active development of new business and business units



## 2 . Possibilities of Further Growth

- Grow and expand existing business and reach sales and profit goals mentioned in above page
- Explore new markets, find business partners, etc and search for further possibilities of growth

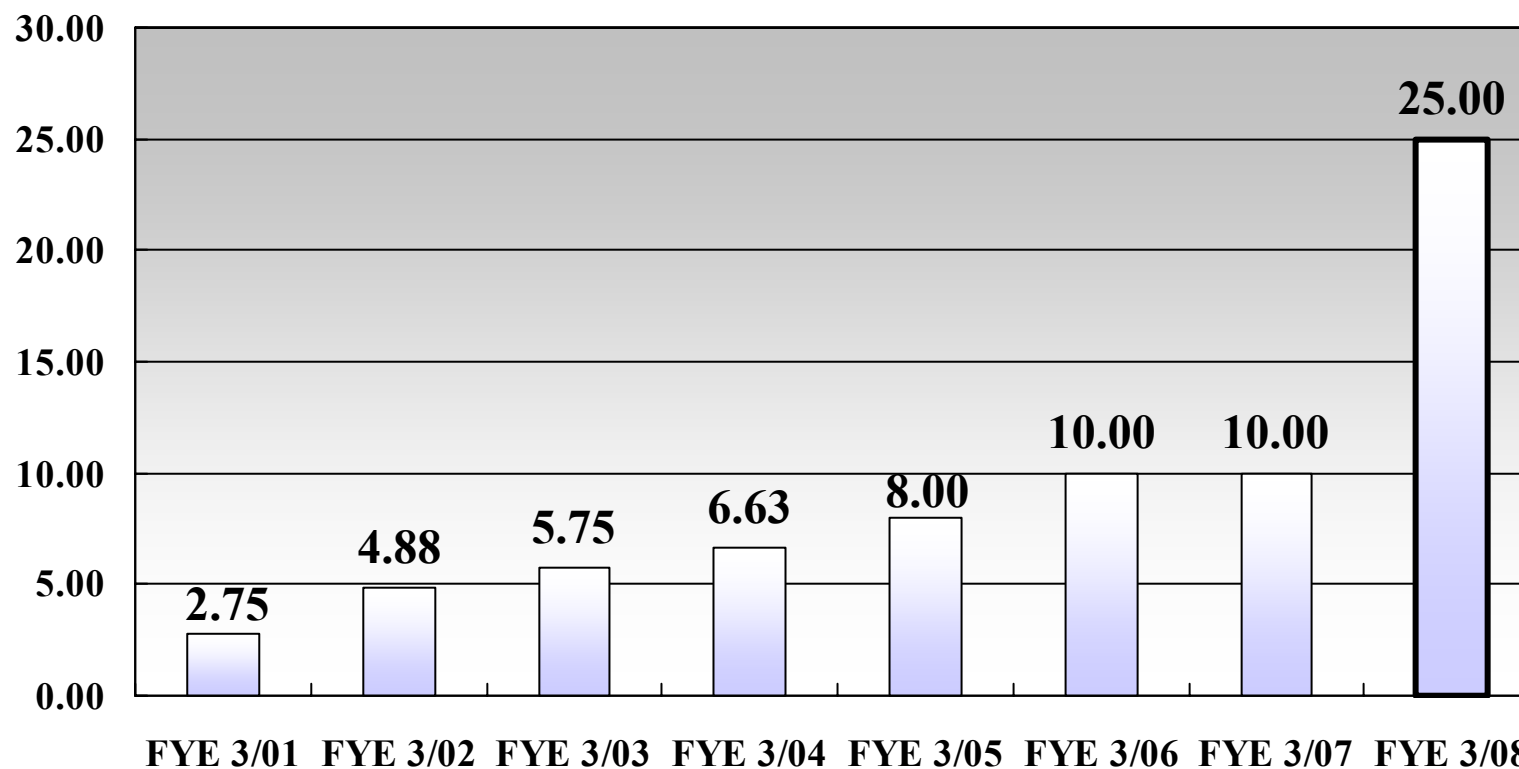




## Cf: Return to Shareholders

- Creation of shareholder value, strengthen return policy to shareholders
- While keeping best balance of retained profit needed for growth, aim higher dividend payout ratio in the mid to long term

**Historical Annual Dividend per Stock and Estimate for FYE March 2008 (unit: JPY)**



Historical annual dividend payment per stock considers stock split in the past and has been adjusted to meet present number of stocks.