



UNITED ARROWS LTD.

Fiscal Year Ended March 2008 Earnings Announcement

UNITED ARROWS LTD.



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In this material, a fractional sum less than one million yen is rounded down 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.

[Indication of business in this material]

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

Main business; UNITED ARROWS: UA, green label relaxing: GLR, CHROME HEARTS: CH

Small Business Units (S.B.U.); Another Edition: AE, Jewel Changes : JC, Odette é Odile UNITED ARROWS: OEO, DRAWER: DRW, SOUNDS GOOD: SG

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



I. Overview of FYE March 2008 and Forecasts for FYE March 2009

1. P/L Overview (Consolidated)

- Total sales were near forecast figures (99.6% of forecast)
- Gross profit was 97.1% of forecast due to increase in composition of outlet sales and bargain sales, increase in abandonment loss, etc.
- SGA expenses were 97.5% of forecast due to cost reduction, but could not cover the decline of gross profit
- As a result, recurring profit was 95.3% of forecast at ¥5,017 million
- Impairment loss (total 13 stores) was posted in 2H, thus net income was 92.7% of forecast at ¥3,800 million

	Consolidated Results FYE March 2008						<cf>		(¥million)	
	Results vs Sales		+/- YoY YoY		vs Forecast +/- vs Forecast		YoY		Forecast	
							Previous results	vs Sales	Forecast	vs Sales
Total Sales	72,221	100.0%	11,262	118.5%	▲ 292	99.6%	60,959	100.0%	72,514	100.0%
Gross Profit	36,891	51.1%	3,819	111.5%	▲ 1,113	97.1%	33,072	54.3%	38,005	52.4%
SGA Expenses	31,960	44.3%	6,239	124.3%	▲ 811	97.5%	25,721	42.2%	32,772	45.2%
Operating Profit	4,930	6.8%	▲ 2,419	67.1%	▲ 302	94.2%	7,350	12.1%	5,232	7.2%
Non Op. P/L	86	0.1%	100	-	56	0.0%	▲ 13	0.0%	30	0.0%
Recurring Profit	5,017	6.9%	▲ 2,319	68.4%	▲ 245	95.3%	7,337	12.0%	5,263	7.3%
Extraordinary P/L	1,798	2.5%	2,911	-	▲ 288	86.2%	▲ 1,112	-1.8%	2,087	2.9%
Net Income	3,800	5.2%	288	108.2%	▲ 298	92.7%	3,511	5.8%	4,098	5.7%



For reference: P/L Overview (Non-consolidated)

(¥million)

	Non-consolidated Results FYE March 2008						<cf>			
	Results		+/- YoY		vs Forecast +/-		YoY		Revised Forecast	
	vs Sales		YoY		vs Forecast		Previous results	vs Sales	Forecast	vs Sales
Total Sales	69,560	100.0%	10,893	118.6%	▲ 298	99.6%	58,666	100.0%	69,859	100.0%
Gross Profit	35,423	50.9%	3,670	111.6%	▲ 1,196	96.7%	31,752	54.1%	36,619	52.4%
SGA Expenses	30,686	44.1%	6,082	124.7%	▲ 771	97.5%	24,603	41.9%	31,457	45.0%
Operating Profit	4,737	6.8%	▲ 2,411	66.3%	▲ 424	91.8%	7,148	12.2%	5,162	7.4%
Non Op. P/L	101	0.1%	94	-	63	0.0%	7	0.0%	37	0.1%
Recurring Profit	4,839	7.0%	▲ 2,317	67.6%	▲ 360	93.1%	7,156	12.2%	5,200	7.4%
Extraordinary P/L	1,816	2.6%	2,901	-	▲ 283	86.5%	▲ 1,084	-1.8%	2,099	3.0%
Net Income	3,875	5.6%	334	109.4%	▲ 387	90.9%	3,540	6.0%	4,263	6.1%

2. Sales Overview (Consolidated/Non-consolidated, Full Term)

- **Total sales: consolidated and non-consolidated sales were both 99.6% of forecast**
- **Business Unit Total was 98.3% of forecast as UA business and S.B.U. and UA Labs were short of forecast**
- **Comparable sale stores for the full term was 101.1% YoY**

	FYE March 2008					<cf>	(¥million)
	Results	YoY +/-		vs Forecast +/-		Previous Results	Revised Forecast
		YoY		vs Forecast			
Consolidated Total Sales	72,221	11,262	118.5%	▲ 292	99.6%	60,959	72,514
Non-consolidated Total Sales	69,560	10,893	118.6%	▲ 298	99.6%	58,666	69,859
Business Unit Total	62,173	8,392	115.6%	▲ 1,048	98.3%	53,781	63,222
UA business	35,562	3,491	110.9%	▲ 1,164	96.8%	32,071	36,727
GLR business	13,264	1,535	113.1%	98	100.7%	11,728	13,166
CH business	3,310	229	107.4%	139	104.4%	3,081	3,171
S.B.U. and UA Labs	10,035	3,135	145.4%	▲ 122	98.8%	6,900	10,158
Outlet	7,387	2,501	151.2%	750	111.3%	4,885	6,636
Comparable Store Sales	101.1%					101.5%	103.3%
UA	99.9%					102.0%	103.8%
GLR	96.8%					97.8%	96.7%
CH	112.7%					99.3%	108.5%
S.B.U. and UA Labs	109.1%					108.5%	109.8%

3. B/S Overview (Consolidated/Non-consolidated)

Total consolidated assets were 113.7% YoY at ¥43,362 million, total non-consolidated assets were 114.0% YoY at ¥42,733 million

[Consolidated B/S: Reasons of +/- compared to end of last term]

- **Current Assets:** Increase in inventory ¥2.7 Bn and increase in accounts receivable (from credit card companies, etc.) ¥0.5 Bn due to expansion of business
- **Fixed Assets:** Increase in tangible fixed assets ¥0.4 Bn and guarantee money deposited ¥0.7 Bn mainly due to increase in operating capital expenditures
- **Current Liabilities:** Increase in short term borrowings by ¥2.8 Bn
- **Fixed Liabilities:** Decrease in long term borrowing by ¥3.2 Bn

* Term end balance of bank borrowings: ¥7.4 Bn (-¥0.8 Bn YoY)

	(¥million)				(¥million)			
	Consolidated Results		<cf>		cf: Non-consolidated Results		<cf>	
	(FYE March 2008)		Consolidated YoY		(FYE March 2008)		Non-consolidated YoY	
	Composition	YoY +/-	Composition	Results	Composition	YoY +/-	Composition	Results
Total Assets	100.0%		100.0%		100.0%		100.0%	
	43,362	5,229 113.7%	38,132	42,733	5,244 114.0%	37,489		
Current Assets	62.9%		61.6%		60.0%		58.8%	
	27,283	3,805 116.2%	23,478	25,638	3,597 116.3%	22,041		
Fixed Assets	37.1%		38.4%		40.0%		41.2%	
	16,078	1,424 109.7%	14,654	17,095	1,647 110.7%	15,448		
Current Liabilities	46.4%		43.7%		45.5%		42.7%	
	20,140	3,494 121.0%	16,646	19,453	3,432 121.4%	16,021		
Fixed Liabilities	1.2%		10.1%		1.2%		10.3%	
	510	▲ 3,340 13.3%	3,850	506	▲ 3,338 13.2%	3,845		
Net Assets	52.4%		46.2%		53.3%		47.0%	
	22,711	5,075 128.8%	17,635	22,773	5,151 129.2%	17,622		



4. Overview of Forecasts for FYE March 2009 (Consolidated/Non-consolidated)

- Total consolidated sales is expected to reach ¥83,929 million (116.2% YoY)
- Consolidated gross profit is expected to reach ¥43,566 million (118.1% YoY), resulting in an improvement of gross margin by 0.8%
- Operating loss of ¥800 million will be posted for 2 new subsidiaries (PERENNIAL UNITED ARROW CO., LTD. and COEN CO., LTD.), thus recurring profit will fall to ¥4,254 million, 84.8% YoY
- Consolidated net income will be 48.0% at ¥1,822 million (cf. there was large extraordinary profit last term)
- Non-consolidated recurring profit will be ¥4,900 million, 101.3% YoY

(¥million)

	Consolidated Forecast FYE March 2009				<cf> YoY		cf: Non-consolidated Forecast FYE March 2009				<cf> YoY	
	Forecast		+/- YoY		Previous Results		Forecast		+/- YoY		Previous Results	
	vs Sales		YoY		vs Sales		vs Sales		YoY		vs Sales	
Total Sales	83,929	100.0%	11,707	116.2%	72,221	100.0%	80,190	100.0%	10,630	115.3%	69,560	100.0%
Gross Profit	43,566	51.9%	6,675	118.1%	36,891	51.1%	41,632	51.9%	6,209	117.5%	35,423	50.9%
SGA Expenses	39,315	46.8%	7,354	123.0%	31,960	44.3%	36,798	45.9%	6,112	119.9%	30,686	44.1%
Operating Profit	4,251	5.1%	▲ 678	86.2%	4,930	6.8%	4,833	6.0%	96	102.0%	4,737	6.8%
Non Op. P/L	3	0.0%	▲ 83	3.7%	86	0.1%	66	0.1%	▲ 35	-	101	0.1%
Recurring Profit	4,254	5.1%	▲ 762	84.8%	5,017	6.9%	4,900	6.1%	60	101.3%	4,839	7.0%
Extraordinary P/L	▲ 251	-0.3%	▲ 2,050	-	1,798	2.5%	▲ 251	-0.3%	▲ 2,067	-	1,816	2.6%
Net Income	1,822	2.2%	▲ 1,977	48.0%	3,800	5.2%	2,714	3.4%	▲ 1,160	70.0%	3,875	5.6%

5. Forecast for FYE March 2009 in 1H & 2H (Consolidated)

- Out of 21 stores of UA LTD. to be opened in this term, 20 will be opened in either Spring/Summer 2008 or Fall/Winter 2008

Cost to open stores will concentrate in 1H, thus profitability is expected to decline in 1H and increase in 2H

(¥million)

	Consolidated Forecast (FYE March 2009 1H)			Consolidated Forecast (FYE March 2009 2H)		
	vs Sales Forecast	YoY +/- YoY	vs Sales Previous Results	vs Sales Forecast	YoY +/- YoY	vs Sales Previous Results
Total Sales	100.0% 37,571	118.7% 5,911	100.0% 31,659	100.0% 46,358	114.3% 5,796	100.0% 40,561
Gross Profit	52.0% 19,530	118.6% 3,059	52.0% 16,470	51.8% 24,036	117.7% 3,615	50.3% 20,420
SGA Expenses	50.2% 18,844	126.1% 3,898	47.2% 14,945	44.2% 20,471	120.3% 3,455	41.9% 17,015
Operating Profit	1.8% 686	45.0% ▲ 838	4.8% 1,524	7.7% 3,565	104.7% 159	8.4% 3,405
Non Op. P/L	0.0% 2	7.3% ▲ 37	0.1% 40	0.0% 0	- ▲ 46	0.1% 46
Recurring Profit	1.8% 689	44.0% ▲ 876	4.9% 1,565	7.7% 3,565	103.3% 113	8.5% 3,451
Extraordinary P/L	0.7% 246	10.5% ▲ 2,108	7.4% 2,355	0.0% 5	- 561	-1.4% ▲ 556
Net Income	0.1% 40	1.8% ▲ 2,184	7.0% 2,225	3.8% 1,781	113.2% 207	3.9% 1,574



For reference: Forecast for FYE March 2009 in 1H & 2H (Non-consolidated)

(¥million)

	Non-consolidated Forecast (FYE March 2009 1H)			Non-consolidated Forecast (FYE March 2009 2H)		
	vs Sales Forecast	YoY +/- YoY	vs Sales Previous Results	vs Sales Forecast	YoY +/- YoY	vs Sales Previous Results
Total Sales	0.0% 36,163	118.8% 5,728	100.0% 30,434	0.0% 44,027	112.5% 4,901	100.0% 39,125
Gross Profit	52.0% 18,808	119.0% 3,006	51.9% 15,801	51.8% 22,824	116.3% 3,202	50.2% 19,621
SGA Expenses	49.5% 17,895	124.6% 3,532	47.2% 14,363	42.9% 18,903	115.8% 2,579	41.7% 16,323
Operating Profit	2.5% 912	63.5% ▲ 525	4.7% 1,438	8.9% 3,920	118.9% 622	8.4% 3,298
Non Op. P/L	0.1% 29	62.1% ▲ 18	0.2% 47	0.1% 36	67.1% ▲ 17	0.1% 54
Recurring Profit	2.6% 942	63.4% ▲ 543	4.9% 1,486	9.0% 3,957	118.0% 604	8.6% 3,352
Extraordinary P/L	-0.7% ▲ 246	- ▲ 2,614	7.8% 2,367	0.0% ▲ 5	0.9% 546	-1.4% ▲ 551
Net Income	1.1% 406	18.0% ▲ 1,848	7.4% 2,254	5.2% 2,308	142.4% 687	4.1% 1,620



6. Details of Sales Forecast of FYE March 2009 (Consolidated/Non-consolidated)

- Total sales of business units of UA LTD.: ¥71,653 million (115.2% YoY), comparable store sales 101.6% YoY

	FYE March 2009			<cf>
	Forecast	+/- YoY		Previous Results
		YoY		
Consolidated Total Sales	83,929	11,707	116.2%	72,221
Non-consolidated Total Sales	80,190	10,630	115.3%	69,560
Business Unit Total	71,653	9,480	115.2%	62,173
UA business	39,292	3,729	110.5%	35,562
GLR business	14,727	1,462	111.0%	13,264
CH business	4,562	1,252	137.8%	3,310
S.B.U. and UA Labs	13,071	3,036	130.3%	10,035
Outlet	8,537	1,149	115.6%	7,387
Comparable Store Sales	101.6%			101.1%
UA	100.2%			99.9%
GLR	101.9%			96.8%
CH	105.5%			112.7%
S.B.U. and UA Labs	105.0%			109.1%



4. Plans of store openings / closings

Forecast for FYE March 2008

(Non-consolidated)

· New stores	21
· Close	7
· Total stores at term end	141

Store openings for 1H: 9, 2H 12

Store openings by season

S/S 2008: 9, F/W 2008: 11, S/S 2009: 1

cf: Subsidiaries (est)

· FIGO CO., LTD.	0 (term end 11)
· COEN CO., LTD.	16 (term end 16)
· PERENNIAL UNITED ARROWS CO., LTD.	3 (term end 3)

Cath Kidston, which was an UA Label Image Store until FYE March 2008, is now counted as a S.B.U.

UA Label Image Stores are THE SOVEREIGN HOUSE (1 store) and District UNITED ARROWS (1 store)

Disney Loved By Nature for UNITED ARROWS LaLaport Yokohama was closed on March 31, 2008 and therefore is included as of one of the 128 stores in FYE March 2008, but is not counted in FYE March 2009.

◆ Number of new stores by retail business (Non-consolidated)

		Beginning of term	New stores (est)		Close	End of term (est)		
			Full term	1H			2H	
Total		127	21	9	12	7	141	
Core Biz.	UA	UA Biz. Total	36	11	5	6	3	44
		Existing UA	17				3	14
		UA Label Image Store	9	4	2	2		13
		New UA	8	7	3	4		15
		B&Y	2					2
	GLR	GLR Biz. Total	39	1		1	3	37
		GLR	36	1		1		37
		GLR New Form	3				3	
		CH	5	1		1		6
	S.B.U. and UA Labs Total		47	8	4	4	1	54
S.B.U. and UA Labs	S.B.U.	Another Edition	13	1		1		14
		Jewel Changes	5	1		1		6
		Odette é Odile	16	3	2	1	1	18
		DRAWER	4	1	1			5
		SOUNDS GOOD	2	1	1			3
		Cath Kidston	2	1		1		3
	UA Labs	TOKISHIRAZU	4					4
		Liquor,woman& tears	1					1
Outlet stores of UA LTD.		11	4	2	2		15	



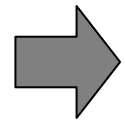
For reference: Details of Store Openings/Transfer/Removal (Definite Projects only)

◆ Details of Store Openings/Transfer/Extension for FYE March 2009 (Definite Projects only)

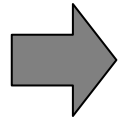
Form	Biz	Business unit	Outline	Timing	Store name	Name of facility	Space (m ²)	Opening day (est*)
New Stores	UA	New UA	new	Apr	SHIBUYA KOENDORI	PARKWAY SQUARE 2	total space 320.1	20-Apr-08
			new	Apr	SAPPORO	Sapporo Parco	total space 422.4	25-Apr-08
			new	Oct	NISHI UMEDA	BREEZÉ BREEZÉ	total space 891.0	3-Oct-08 *
		B&Y	new	Apr	SHIBUYA KOENDORI	PARKWAY SQUARE 2	total space 650.1	20-Apr-08
			new	Apr	SAPPORO	Sapporo Parco	total space 419.1	25-Apr-08
			new	May	FUNABASHI	LaLaport	total space 392.7	22-May-08 *
			new	Oct	KUMAMOTO	n/a	total space 372.9	Oct-08 *
	GLR	GLR	new	Nov	nishinomiya gardens	Hankyu Nishinomiya Gardens	total space 356.4	Nov-08 *
	S.B.U. and UA Labs	Jewel Changes	new	Oct	Umeda	BREEZÉ BREEZÉ	total space 155.1	3-Oct-08 *
		Odette é Odile	new	Apr	roppongi hills	ROPPONGI HILLS	total space 92.4	18-Apr-08
			new	Summer	sendai	S-PAL	total space 102.3	Summer 08
			new	Oct	umeda	BREEZÉ BREEZÉ	total space 102.3	3-Oct-08 *
		DRAWER	new	Apr	MARUNOUCHI	Roadside Store	total space 250.8	26-Apr-08
		SOUNDS GODD	new	Aug	SHIBUYA KOENDORI	Roadside Store	total space 217.8	Aug-08 *
		Cath Kidston	new	Oct	Osaka	BREEZÉ BREEZÉ	total space 112.2	3-Oct-08 *
	Outlet	Outlet	new	Apr	IRUMA	MITSUI OUTLET PARK Iruma	total space 745.8	10-Apr-08
			new	Jul	NASU	NASU GARDEN OUTLET	total space 498.3	Jul-08 *
			new	Fall	SENDAI	n/a	total space 478.5	Fall 2008 *
			new	Nov	KARUIZAWA	KARUIZAWA PRINCE SHOPPING PLAZA	total space 495.0	Nov-08 *
Extension	CH	CHROME HEARTS	extension	Apr	CHROME HEARTS TOKYO	Roadside Store	total space 537.9	26-Apr-08
Close	UA	Existing UA	transfer	Apr	SAPPORO	4chome Plaza	-	6-Apr-08

*Store space is approximately 80% to 85% of total space.

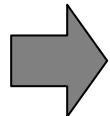
II. Appendix (Non-consolidated)



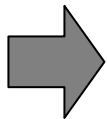
1. Trend of Inventory Assets



2. Trend of Gross Margin



3. Details of SGA expenses



4. Details of Comparable Store Sales YoY for FYE March 2009

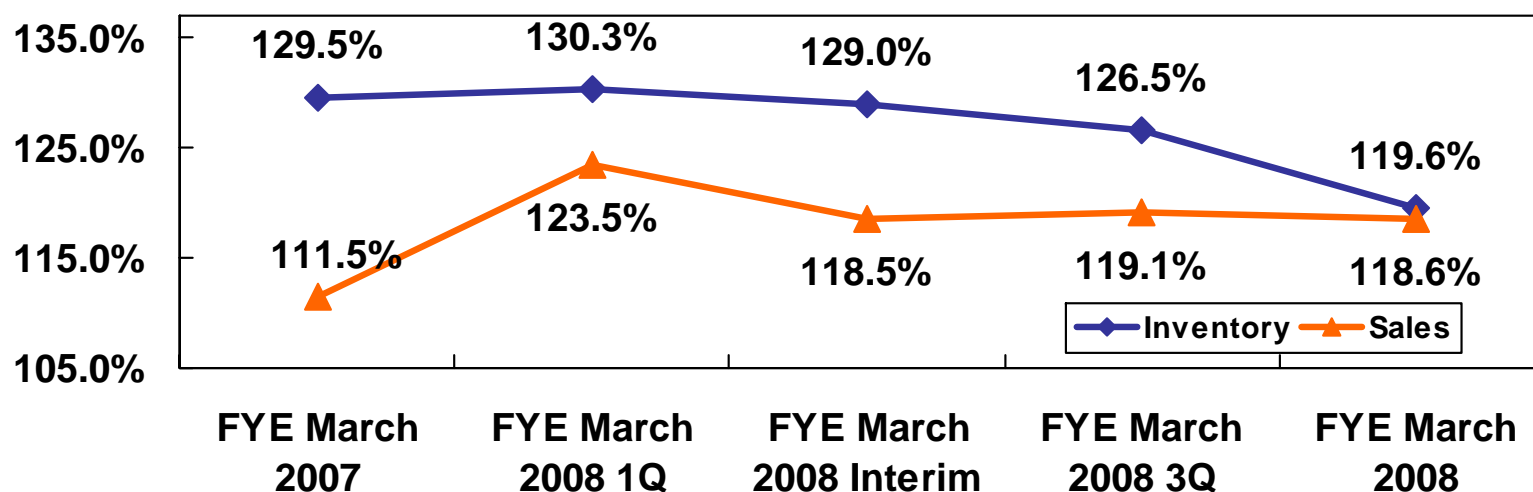
1. Trend of Inventory Assets (Non-consolidated)

- Non-consolidated inventory at term end FYE March 2008 was ¥16,563 million (119.6%), which was in line with forecast
- Growth ratio YoY peaked out in 1Q FYE March 2008, and has been gradually declining
- For the term end FYE March 2009, inventory is expected to be 110% to 115% YoY

■ Change in Inventory Assets (product inventory + stored goods) (million yen)

	FYE March 2007	FYE March 2008 1Q	FYE March 2008 Interim	FYE March 2008 3Q	FYE March 2008
Inventory at term end	13,846	14,589	17,730	18,242	16,563
+/- YoY	129.5%	130.3%	129.0%	126.5%	119.6%
※cf. Sales +/- YoY	111.5%	123.5%	118.5%	119.1%	118.6%

Historical Inventory and Sales YoY



2. Trend of Gross Margin (Non-consolidated)

- Gross margin of whole company for FYE March 2008 was 50.9%, -1.5% of forecast
 - Business units were short of forecast by 1.0% at 57.0% due to increase of composition of bargain sales
 - Outlet sales were +2.1% of forecast at 17.4% due to quick movement of products from regular stores
 - Other COGS increased by ¥268 million (vs forecast) due to increase of valuation loss and abolition loss
 - For FYE March 2009, we expect to improve gross margin of business units, and decrease other COGS.
- Our target is to increase gross margin by 1.0% to 51.9%

■ Change of Gross Margin

	FYE March 2008 (accumulated)			Previous results	YoY +/-	FYE March 2009	
	Results	Revised Forecast	vs Forecast			Forecast	YoY +/-
Total Company	50.9%	52.4%	-1.5%	54.1%	-3.2%	51.9%	1.0%
Business Units Total	57.0%	57.9%	-1.0%	58.8%	-1.8%	57.9%	0.9%
Outlet	17.4%	15.2%	2.1%	17.1%	0.2%	15.2%	-2.2%
Other COGS (Mn yen)	1,273	1,004	268	707	565	1,154	▲ 118

※ Business Units Total includes sales of retail, wholesale, mail-order and formal wear rental, etc.

※ Other COGS means product valuation loss, abolition loss, etc.

3. Details of SGA Expenses (Non-consolidated)

- SGA margin in FYE March 2008 (difference between forecast)

Decline in personnel costs due to shortage of headcount caused by concentrated store openings in September

Decline in fixed costs (consumables and traveling expenses, etc.)

- SGA margin in FYE March 2009 (difference between previous term)

Increase in personnel costs (+1.0% YoY, full year contribution of following: around 30% caused by conversion of part-time workers to full-time workers, around 70% caused by recruitment of experienced staff (350 staff) in previous year)

Increase in depreciation caused by rise in operating CAPEX, increase in advertisement cost due to increase of reserve for membership cards, etc.

■Details of SGA expenses (Non-consolidated)

(vs Sales)		FYE March 2008		+/-	FYE March 2009 Forecast	vs previous term
		Results	Revised Forecast			
Total SGA expenses		44.1%	45.0%	-0.9%	45.9%	1.8%
	Advertisement	1.7%	1.7%	0.0%	1.9%	0.2%
	Personnel	15.2%	15.8%	-0.5%	16.2%	1.0%
	Rent	11.9%	12.0%	-0.1%	12.0%	0.1%
	Depreciation	1.2%	1.2%	0.0%	1.6%	0.4%
	Others	14.0%	14.3%	-0.3%	14.2%	0.1%

4. Details of Comparable Store Sales YoY for FYE March 2009 (Non-consolidated)

- Comparable store sales for FYE March 2009: 101.6% YoY

Comparable store sales of new comparable stores:

those that were included as comparable stores from FYE March 2009 110.8% YoY

Comparable store sales of other comparable stores:

those that have been comparable stores for more than 2 years 100.7%

- The reason why comparable store sales are higher in 2H is due to

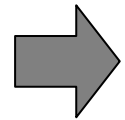
Details of Comparable Store Sales YoY (forecast)

	Full Term	1H	2H	
Total Comparable Store Sales	101.6%	100.3%	102.6%	
① New comparable stores (opened in the previous term)	110.8%	100.5%	112.5%	Ex. UA Ginza, GLR Ueno, etc.
② Other comparable stores (opened two or more terms before)	100.7%	100.3%	101.0%	Ex. UA Yokohama, GLR Marunouchi
Share of ① in total comparable store sales	10.2%	2.9%	15.8%	

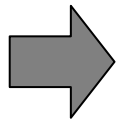
*An comparable store is defined as a retail store that has passed 13 months since its opening and has been operating in the same month of the previous year.

*Number of stores of and are not indicated as they change every month.

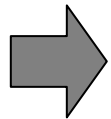
III. Summary of FYE March 2008 and Future Policies, etc.



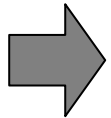
1. Summary of FYE March 2008



2. Policies for FYE March 2009



3. Mid-term Strategies



4. Distribution of Profits to our Shareholders

1- Summary of FYE March 2008

Total Sales

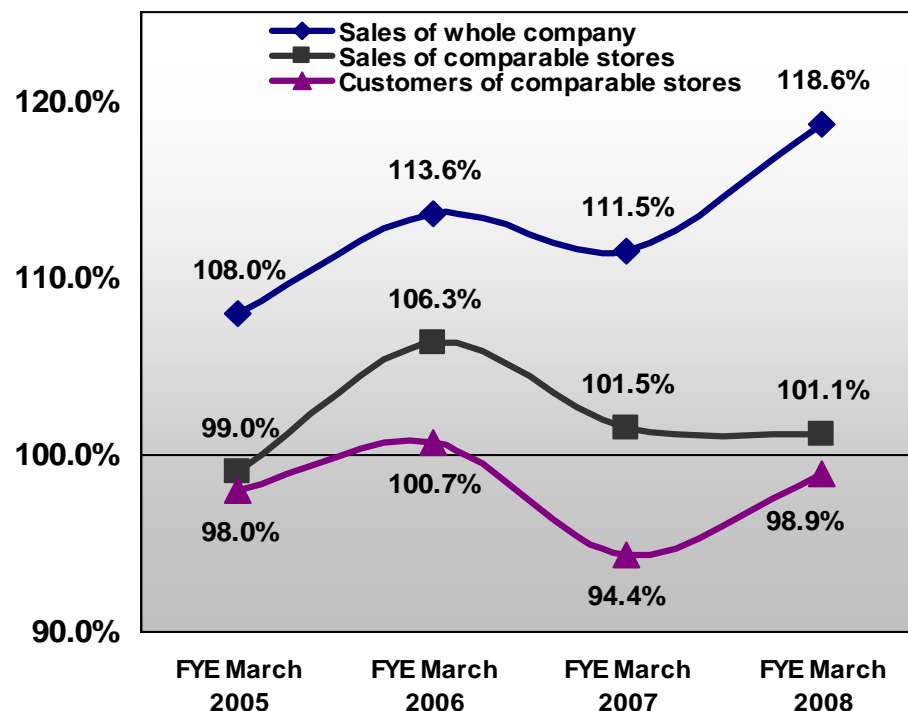
Result was 99.6% of forecast. Comparable store sales was 101.1% YoY.

Gross Profit and Other Profits

Composition of bargain sales increased and other losses (valuation loss and abandonment loss, etc.) were posted (97.1% of forecast)

Although efforts were made to reduce SGA expenses, recurring profit was short of forecast (95.3%) at 5 Bn yen.

Growth of sales of the company, sales of comparable stores, customers of comparable stores (YoY, non-consolidated)



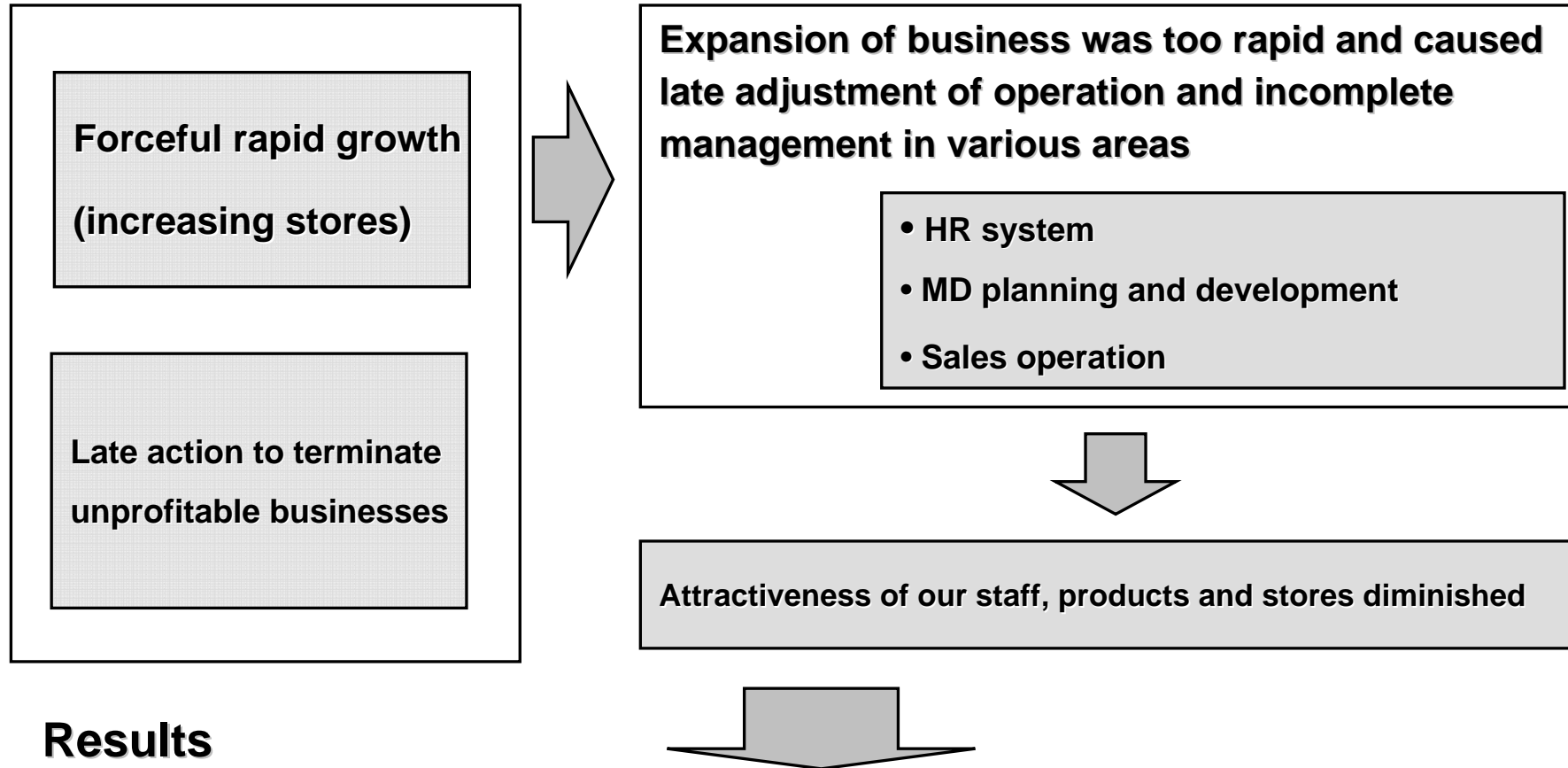
Summary of FYE March 2008

	Results (¥Bn)	vs Forecast	YoY
Consolidated Total Sales	72.2	99.6%	118.5%
Non-consolidated Total Sales	69.5	99.6%	118.6%
Business Unit Total	62.1	98.3%	115.6%
Outlet	7.3	111.3%	151.2%

Consolidated Gross Profit	36.8	97.1%	111.5%
Consolidated Recurring Profit	5.0	95.3%	68.4%
Consolidated Net Income	3.8	92.7%	108.2%

1- . Summary of FYE March 2008 (Background)

Background



2- . Policies for FYE March 2009 (Non-consolidated)

- **Make necessary adjustments and proceed precise management of merchandise and sales service operation**
- **Strengthen human resources and expand business according to their growth**

5 Important Tasks

- 1. Increase comparable store sales and profit by strengthening cooperation between sales service section and merchandise section, focusing on human resources**
- 2. Open stores according to growth of human resources**
- 3. Complete merchandise platform (product planning platform)**
- 4. Strengthen management of product quality**
- 5. Improve productivity of head office**

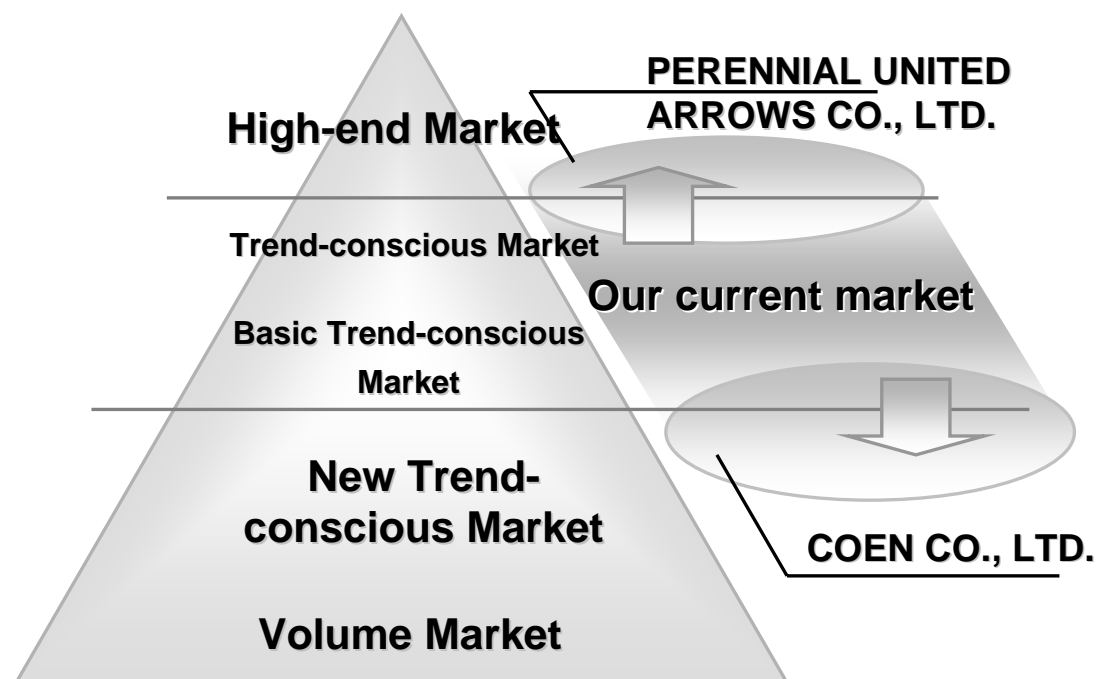
**Make exciting and attractive stores and improve profitability
(ie. this term's profitability will be the lowest)**

2- . Policies for FYE March 2009 (2 New Subsidiaries)

Prior investment for mid-term market growth

**“Profitable from 3rd year, no accumulated loss from 5th year”
(sum of two subsidiaries)**

Image of Market Expansion





Sales and Recurring Profit (Forecast)

Sum of two subsidiaries, COEN + PERENNIAL UA

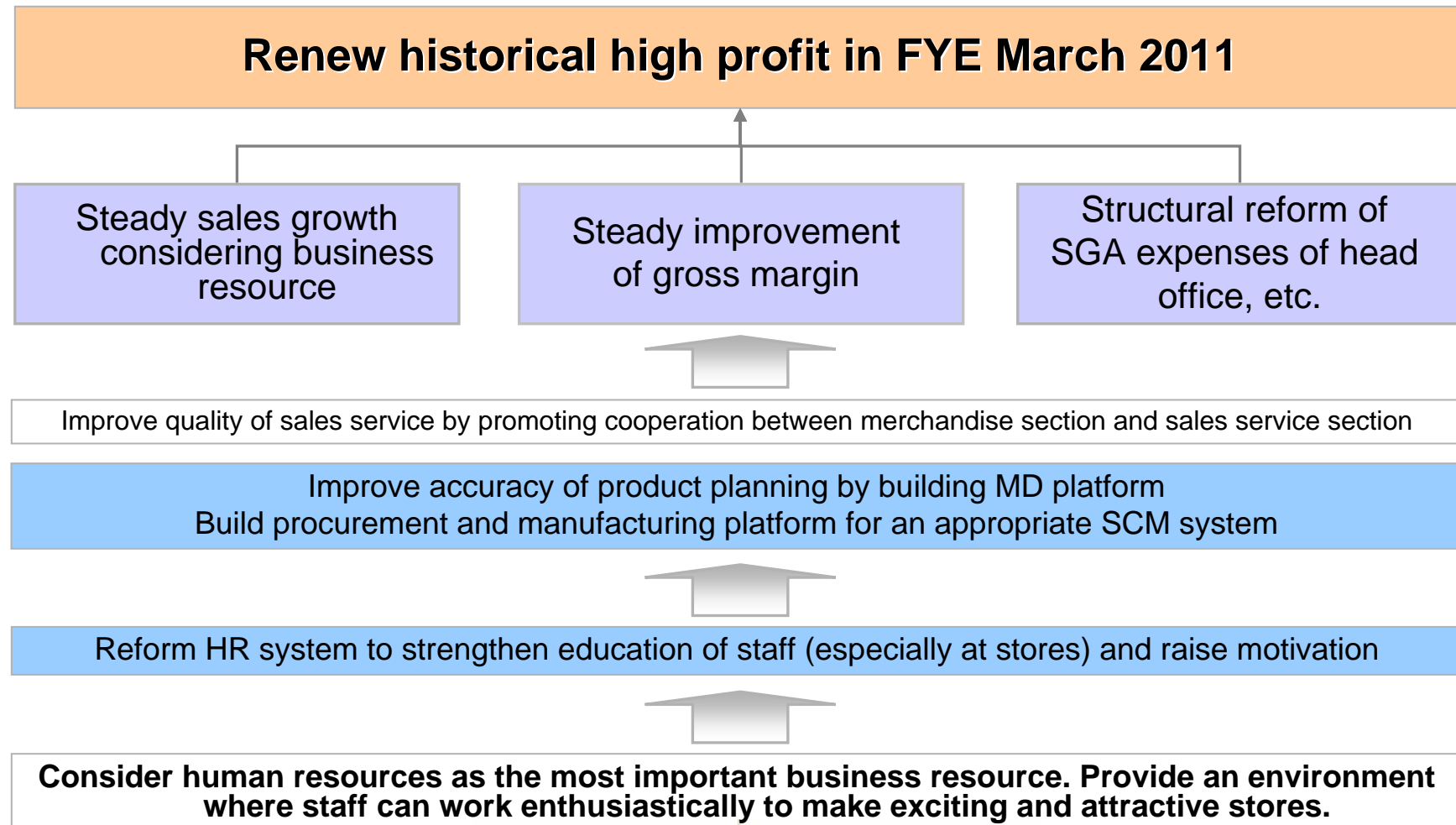
(in yen)	Total Sales	Recurring Profit
FYE March 2009	800 Mn	-800 Mn
FYE March 2010	3 Bn to 6 Bn	-200 Mn to -400 Mn
FYE March 2011	5 Bn to 9 Bn	-100 Mn to +800 Mn

For reference: Summary of 2 New Subsidiaries

New Company Name	COEN CO., LTD.	PERENNIAL UNITED ARROWS CO., LTD.
Brand Name and Logo	<p>COEN</p> 	<p>FRANQUEENSENSE</p> 
Concept	Men's and women's casual wear brand for new trend market using customer service skills and product development knowledge of select shops.	An apparel brand that incorporates select shop style retail (apparel type selection of products, select shop style sales method) for women who are not satisfied with products that are now available in the market.
Core Target	early 20's to late 30's	according to taste of clothing (no age limit)
Store Openings	from fall 2008	from summer to fall 2008
Store Area	suburban areas and large commercial facilities in rural areas	roadside stores in the metropolitan area, fashion buildings, station buildings, department stores, etc.
Store Space	around 198 square meters (there will be odd stores that are smaller)	roadside stores: 165 square meters stores within buildings: 66 to 132 square meters
Annual Sales per Store (expected)	100 to 130 million yen	200 to 400 million yen
Store Openings per Year	around 24	6 to 10

3- . Mid-term Strategies (Fundamentals)

We need to provide trend-conscious specialty apparel stores that are exciting and attractive, and simultaneously aim for consistent and sound growth by finding appropriate cost structure and profit structure



3- . Mid-term Strategies (Measures)

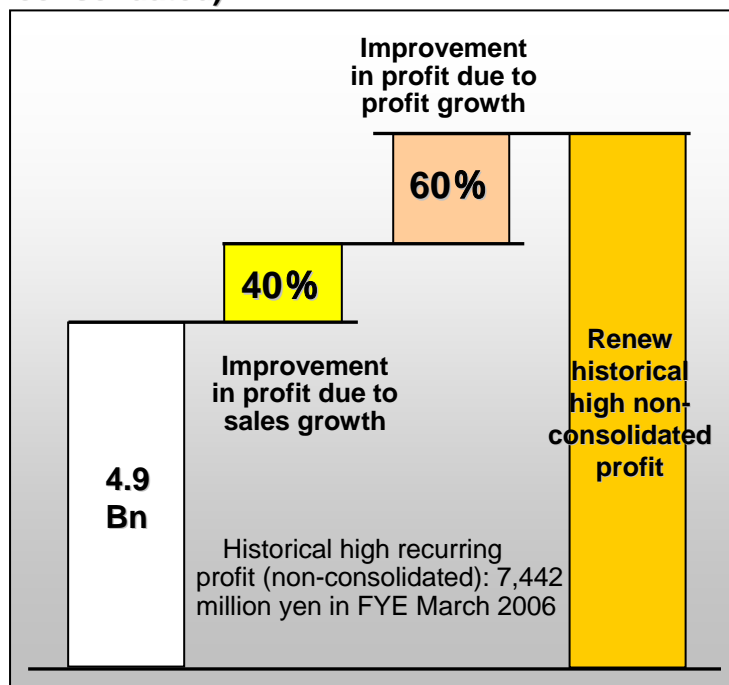
	FYE March 2009	FYE March 2010 to FYE March 2011
Sales growth	<ul style="list-style-type: none"> *Increase time to serve customers by reducing additional work *Proceed rebranding of UA business *Improve sales and profit of whole company by recovering GLR business *Maximize customer value by CRM 	<ul style="list-style-type: none"> *Continue steady sales growth considering human resources *Consider BY and COEN as mid-term sales growth driver and make appropriate allotment of business resource *Expand on-line business, investigate possibilities in overseas market
Gross margin	<ul style="list-style-type: none"> *Improve accuracy of product planning by introducing MD platform to whole company → improve absorb ratio, decrease unnecessary inventory 	<ul style="list-style-type: none"> *Build appropriate SCM system by introducing manufacturing platform to whole company → build appropriate manufacturing system according to character of each business, review logistics and importing/exporting expenses, etc. → decrease COGS
SGA expenses	<ul style="list-style-type: none"> *Clarify organization, function and mission of stores, head office and back office →Specify measures with the cooperation of consulting companies 	<ul style="list-style-type: none"> *Improve structure of SGA expenses of head office and back office *Raise motivation of staff and improve productivity by transferring authority to stores
Other profitability	<ul style="list-style-type: none"> *Continue to build appropriate business portfolio that provides value and earns profitability simultaneously *Increase sales amount in on-line business which has high profitability *Examine possibilities of overseas business with the cooperation of business partners considering cost and performance 	

3- . Mid-term Strategies (Target)

Top priority: improve profitability

- UA alone: Improve profitability and aim historical high profit in FYE March 2011
- Consolidated subsidiaries (total): turn profitable within coming 3 years and contribute to sales and profit
 - ROE over 15% in FYE March 2011

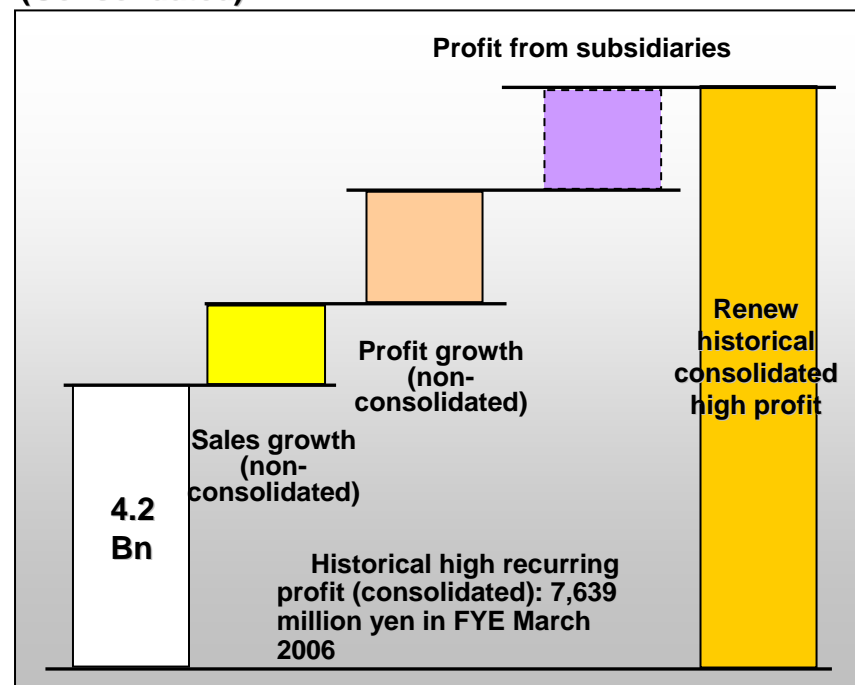
Improvement in Recurring Profit (Non-consolidated)



FYE March 2009
Recurring Profit

FYE March 2011
Recurring Profit

Improvement in Recurring Profit (Consolidated)



FYE March 2009
Recurring Profit

FYE March 2011
Recurring Profit

4. Distribution of Profits to our Shareholders

Measures for FYE March 2009

- **Maintain annual dividend payment per stock at 25 yen
(Estimated dividend payout ratio: 58.6%)**
- **Cancel own shares (490 million shares, 10.3% of total
outstanding shares) to avoid dilution of EPS**

Indicators of distribution of profits

- **DOE (Dividend on Equity ratio)**

**Decide dividend amount using DOE (around 4.5%) for the
coming 3 years or so**



FYE March 2008

Earnings Announcement Additional Information

1. Term end B/S (Consolidated/Non-consolidated)
2. Full term P/L (Consolidated/Non-consolidated)
3. Full term SGA expenses (Non-consolidated)
4. Full term Sales (Consolidated/Non-consolidated)
5. FYE March 2009 1H&2H Sales Forecast (Non-consolidated)
6. Full term store openings and CAPEX (Non-consolidated)



1. Term end B/S (Consolidated/Non-consolidated)

■ Consolidated B/S

(Mn yen)

	FYE March 2006		FYE March 2007			FYE March 2008		
	Results	composition	Results	composition	+/-	Results	composition	+/-
Total Assets	35,334	100.0%	38,132	100.0%	2,797	43,362	100.0%	5,229
Current Assets	23,378	66.2%	23,478	61.6%	100	27,283	62.9%	3,805
Fixed Assets	11,956	33.8%	14,654	38.4%	2,697	16,078	37.1%	1,424
Current Liabilities	15,582	44.1%	16,646	43.7%	1,063	20,140	46.4%	3,494
Fixed Liabilities	5,187	14.7%	3,850	10.1%	▲ 1,336	510	1.2%	▲ 3,340
Total Net Assets	14,565	41.2%	17,635	46.2%	3,070	22,711	52.4%	5,075

■ Non-consolidated B/S

(Mn yen)

	FYE March 2006		FYE March 2007			FYE March 2008		
	Results	composition	Results	composition	+/-	Results	composition	+/-
Total Assets	34,649	100.0%	37,489	100.0%	2,839	42,733	100.0%	5,244
Current Assets	22,157	63.9%	22,041	58.8%	▲ 116	25,638	60.0%	3,597
Fixed Assets	12,492	36.1%	15,448	41.2%	2,956	17,095	40.0%	1,647
Current Liabilities	14,951	43.2%	16,021	42.7%	1,069	19,453	45.5%	3,432
Fixed Liabilities	5,177	14.9%	3,845	10.3%	▲ 1,331	506	1.2%	▲ 3,338
Total Net Assets	14,520	41.9%	17,622	47.0%	3,101	22,773	53.3%	5,151



2. Full term P/L (Consolidated/Non-consolidated)

■ Consolidated P/L

(Mn yen)

	FYE March 2007			FYE March 2008				FYE March 2009 (est)			
	results	vs Sales		results	vs Sales	+/- YoY	YoY	forecast	vs Sales	+/- YoY	YoY
Total Sales	60,959	100.0%		72,221	100.0%	11,262	118.5%	83,929	100.0%	11,707	116.2%
Gross Profit	33,072	54.3%		36,891	51.1%	3,819	111.5%	43,566	51.9%	6,675	118.1%
SGA Exp.	25,721	42.2%		31,960	44.3%	6,239	124.3%	39,315	46.8%	7,354	123.0%
Operating Pro.	7,350	12.1%		4,930	6.8%	▲ 2,419	67.1%	4,251	5.1%	▲ 678	86.2%
Non-operating Profit/Loss	▲ 13	0.0%		86	0.1%	100	-	3	0.0%	▲ 83	3.7%
Recurring Pro.	7,337	12.0%		5,017	6.9%	▲ 2,319	68.4%	4,254	5.1%	▲ 762	84.8%
Extraordinary Profit/Loss	▲ 1,112	-1.8%		1,798	2.5%	2,911	-	▲ 251	-0.3%	▲ 2,050	-
Net Income	3,511	5.8%		3,800	5.2%	288	108.2%	1,822	2.2%	▲ 1,977	48.0%

■ Non-consolidated P/L

(Mn yen)

	FYE March 2007			FYE March 2008				FYE March 2009 (est)			
	results	vs Sales		results	vs Sales	+/- YoY	YoY	forecast	vs Sales	+/- YoY	YoY
Total Sales	58,666	100.0%		69,560	100.0%	10,893	118.6%	80,190	100.0%	10,630	115.3%
Gross Profit	31,752	54.1%		35,423	50.9%	3,670	111.6%	41,632	51.9%	6,209	117.5%
SGA Exp.	24,603	41.9%		30,686	44.1%	6,082	124.7%	36,798	45.9%	6,112	119.9%
Operating Pro.	7,148	12.2%		4,737	6.8%	▲ 2,411	66.3%	4,833	6.0%	96	102.0%
Non-operating Profit/Loss	7	0.0%		101	0.1%	94	1364.6%	66	0.1%	▲ 35	64.7%
Recurring Pro.	7,156	12.2%		4,839	7.0%	▲ 2,317	67.6%	4,900	6.1%	60	101.3%
Extraordinary Profit/Loss	▲ 1,084	-1.8%		1,816	2.6%	2,901	-	▲ 251	-0.3%	▲ 2,067	-
Net Income	3,540	6.0%		3,875	5.6%	334	109.4%	2,714	3.4%	▲ 1,160	70.0%

3. Full term SGA expenses (Non-consolidated)

	(Mn yen)			
	FYE March 2007	FYE March 2008		FYE March 2009 (est)
	vs Sales	vs Sales	YoY	
	Results	Results	+/- YoY	Forecast
	41.9%	44.1%	124.7%	45.9%
Total SGA Expenses	24,603	30,686	6,082	36,798
	1.6%	1.7%	125.4%	1.9%
Advertisement	944	1,183	239	1,521
	14.2%	15.2%	127.5%	16.2%
Personnel	8,307	10,592	2,285	13,005
	11.3%	11.9%	124.7%	12.0%
Rent	6,646	8,287	1,640	9,615
	1.1%	1.2%	134.3%	1.6%
Depreciation	636	854	218	1,300
	13.8%	14.0%	121.1%	14.2%
Others	8,069	9,768	1,698	11,355
	0.0%	0.1%	-	0.1%
Non-operating P/L	7	101	94	66
	0.3%	0.4%	125.3%	0.2%
Non-operating profit	197	247	49	122
	0.3%	0.2%	76.6%	0.1%
Non-operating loss	189	145	▲ 44	56
				▲ 89



4. Full term Sales (Consolidated/Non-consolidated)

	FYE March 2007	FYE March 2008		(Mn yen)	
	results	results	+/- YoY YoY	forecast	+/- YoY YoY
Consolidated					
Total Sales	60,959	72,221	11,262 118.5%	83,929	11,707 116.2%
Non-consolidated					
Total Sales	58,666	69,560	10,893 118.6%	80,190	10,630 115.3%
Business Unit Total	53,781	62,173	8,392 115.6%	71,653	9,480 115.2%
UA	32,071	35,118	3,047 109.5%	39,292	4,173 111.9%
GLR	11,728	13,264	1,535 113.1%	14,727	1,462 111.0%
CH	3,081	3,310	229 107.4%	4,562	1,252 137.8%
S.B.U. and UA Labs	6,900	10,479	3,579 151.9%	13,071	2,592 124.7%
Outlet	4,885	7,387	2,501 151.2%	8,537	1,149 115.6%
Comparable Store Sales	101.5%	101.1%		101.6%	
UA	102.0%	99.3%		100.2%	
GLR	97.8%	96.8%		101.9%	
CH	99.3%	112.7%		105.5%	
S.B.U. and UA Labs	108.5%	111.8%		105.0%	

*Cath Kidston is included in S.B.U. from FYE March 2009 (previously included in UA business)
and data of FYE March 2008 has been retroactively calculated.



5. FYE March 2009 1H&2H Sales Forecast (Non-consolidated)

(Mn yen)

	FYE March 2009 Full Term			FYE March 2009 1H					FYE March 2009 2H		
	Forecast	+/- YoY				1H	+/- YoY		2H	+/- YoY	
				1Q	2Q						
		YoY		Forecast	YoY	Forecast	YoY	Forecast	YoY		
Total Sales	80,190	10,630	115.3%	18,129	18,034	36,163	5,728	118.8%	44,027	4,901	112.5%
Business Units Total	71,653	9,480	115.2%	16,307	16,149	32,456	5,139	118.8%	39,197	4,341	112.5%
UA	39,292	4,173	111.9%	9,106	8,598	17,704	2,140	113.7%	21,587	2,033	110.4%
GLR	14,727	1,462	111.0%	3,470	3,209	6,680	1,134	120.5%	8,046	327	104.2%
CH	4,562	1,252	137.8%	1,013	1,208	2,221	557	133.5%	2,341	694	142.2%
S.B.U. and UA Labs	13,071	2,592	124.7%	2,717	3,132	5,850	1,306	128.8%	7,221	1,286	121.7%
Outlet	8,537	1,149	115.6%	1,822	1,884	3,706	589	118.9%	4,830	560	113.1%
Comparable Store Sales	101.6%			96.7%	104.7%	100.3%			102.6%		
UA	100.2%			96.5%	101.5%	98.8%			101.4%		
GLR	101.9%			95.1%	106.6%	99.9%			103.2%		
CH	105.5%			107.1%	115.9%	111.9%			98.9%		
S.B.U. and UA Labs	105.0%			95.8%	108.4%	101.7%			107.4%		

6. Full term store openings and CAPEX (Non-consolidated)

	FYE March 2007	FYE March 2008	FYE March 2009 (est)
•Number of store openings, employees, etc.			(/term end stores)
Number of store openings	32	34	21 / 141
UA	10	9	11 / 44
GLR	6	9	1 / 37
CH	0	2	1 / 6
S.B.U. & UA Labs	16	14	8 / 54
Removal (inc. brand transfer)	7	10	8
Term end retail stores	104	128	141
Outlet stores	10	11	4 / 15
Term end employees	1,114	2,567	2,901
Term end part-timers	980		
•CAPEX and Depreciation			
Operating CAPEX	1,642	2,310	3,434
Land	-	-	-
Others	707	522	453
CAPEX Total	2,349	2,832	3,887
Guarantee Deposits	615	908	359
Depreciation (as of P/L)	636	854	1,300

* Part-time workers have been promoted to full-time workers in August 2007, and are indicated together from FYE March 2008.

* Total employees include full-time workers and contract workers (and part-time workers from FYE March 2008) and do not include those who are sent to subsidiaries.

* For FYE March 2009, Disney Loved By Nature for UA LaLaport Yokohama is counted as a closed store.

* In guarantee deposits for FYE March 2008 (908 Mn yen), 259 million of guarantee money for store openings of FYE March 2009 are included.