
**Brief Report for the Interim Settlement
of the Term Ending March 31, 2006*
(Non-Consolidated)**

Corporate Name:	UNITED ARROWS LTD.
Code Number:	7606
URL:	http://www.united-arrows.co.jp/
Securities Traded	The Tokyo Stock Exchange, First Section
Location of Headquarters:	Tokyo
Contact:	Representative; Tetsuya Iwaki, President and COO Yuko Sajima, Department Manager, Management Control Dept.
Telephone:	+81-3-6418-0803
Date of the Board of Directors Meeting for Closing Accounts:	November 7, 2005
First Day of Payment of Interim Dividends:	December 9, 2005
Payment System of Mid-term Dividends:	Presence
Adoption of Unit Share System:	Presence (100 shares/ unit)

*The “Brief Report for the Interim Settlement of the Term Ending March 31, 2006” is an English translation of the original Japanese. If any doubts arise as to the interpretation of this English version, the Japanese version shall take precedence.

1. Business Result for the Current Interim (from April 1, 2005 to September 30, 2005) for the Fiscal Year

(1) Business Performance

Note: A fractional sum less than one million yen is discarded.

	Sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
Current Interim (Sep. 2005)	23,641	(15.4)	2,913	(40.6)	2,922	(40.0)
Previous Interim (Sep. 2004)	20,485	(7.8)	2,071	(32.4)	2,087	(30.9)
Previous Term (Mar. 2005)	46,330		6,080		6,037	
	Net income		Net income per share		Net income per share after adjusting dilutive securities	
	¥ million	%	yen		yen	
Current Interim (Sep. 2005)	1,494	(26.0)	67.77		66.89	
Previous Interim (Sep. 2004)	1,185	(50.6)	53.93		53.36	
Previous Term (Mar. 2005)	3,476		154.90		153.32	

- Notes:
- Gains and losses on investment by equity method
Current Interim ¥ - million, Previous Interim ¥ - million, Previous Term ¥ - million
 - The average number of shares during the fiscal period
Current Interim 22,046,814 shares, Previous Interim 21,979,973 shares, Previous Term 21,994,681 shares
 - Change of accounting method: yes
 - % in columns of Sales, Operating income, Ordinary income, and Net income indicates increase/decrease compared with the previous interim period, respectively.

(2) Dividend

	Interim dividend per share	Annual dividend per share
	yen	yen
Current Interim (Sep. 2005)	5.00	-
Previous Interim (Sep. 2004)	5.00	-
Previous Term (Mar. 2005)	-	16.00

(3) Financial Situation

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	yen
Current Interim (Sep. 2005)	30,353	20,074	66.1	908.67
Previous Interim (Sep. 2004)	25,000	16,601	66.4	754.64
Previous Term (Mar. 2005)	27,648	18,812	68.0	851.00

- Notes:
- The total number of stocks issued at the end of the fiscal period
Current Interim 22,092,180 shares, Previous Interim 21,999,100 shares, Previous Term 22,024,600 shares
 - The total number of treasury stocks at the end of the fiscal period
Current Interim 1,757,820 shares, Previous Interim 1,850,900 shares, Previous Term 1,825,400 shares

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	¥ million	¥ million	¥ million	¥ million
Current Interim (Sep. 2005)	1,801	-673	-489	4,465
Previous Interim (Sep. 2004)	685	-144	-772	1,391
Previous Term (Mar. 2005)	4,122	-738	-1,180	3,827

2. Projection for the performance of Fiscal 2006 ended March (from April 1, 2005 to March 31, 2006)

	Sales	Ordinary income	Net income	Annual dividend per share	
	¥ million	¥ million	¥ million	Year end	
				yen	yen
Full fiscal year	52,196	7,204	3,897	12.00	17.00

Reference: Projected net income per share (in the full fiscal year): 174.86 yen

- * The projected net income per share was calculated in consideration of the number of shares issued after stock options are exercised.
- * The above projection was made based on the information available at the present moment. Please note in advance that potential risks and uncertainties are included. The actual figures might differ from the above due to any possible factors. Please refer to the attached documents starting from page 10 for the preconditions and further information for the above projection.

. Status of the corporate group

The corporate group (the company concerned and its newly consolidated entity) is composed of the following two companies: the company concerned and Complice (investment ratio is 50%).

Status of consolidated entity

The following company has been established as newly consolidated entity in order to secure a new "groundwork for production" for a new business "DARJEELING DAYS" started in March 2005.

(Name of the company) Complice LTD.

(Address) Shibuya-ku, Tokyo

(Capital) 10 million yen

(Business outline) Produce, sales, export and import of apparel and accessories

(Percentage of voting right owned by the company concerned) 50.0%

(Information concerned) Four interlocking directors, Lending of operating fund

. Management Policy

1. Basic policy of management

At the time when this company was established in October 1989, we declared our "resolution" as follows:

"We aim to contribute to society by improving living standards, culture and society through the development of products and the environment." This reflects not only our business purposes, but also our strong will to continue to establish and pursue a proper sense of value that would serve as a model for Japanese lifestyle and culture through our business.

Under such resolution, we set our goal in "creating five kinds of value", : "the value for customers", "the value for the employees", "the value for trading partners", "the value for the community", and "the value for the shareholders", and we intend to be a company that continues to create the value to stakeholders, shareholders and the community, all of which are related to us.

We make all-out efforts to create these 5 values, and at the same time we as a public institution intend to contribute to improving Japanese lifestyle and culture.

2. Basic policy concerning profit sharing

Recognizing that maximizing the value for the shareholders is a matter of a great importance for the management, we intend to return profits to our shareholders by such means as increased dividend payments and stock splits. We also have an intention to enhance our reputation on the stock market and increase our market capitalization to the greatest extent in order to increase the value for the shareholders.

In addition, considering the status of the business environment and the achievement, we will pay careful attention to the balance between the investment for development of new stores as well as the capital expenditures for growing business in future and the retained earnings required, and we will also improve the profit distribution to our shareholders keeping the profit level and the dividend ratio in mind.

The interim dividend will be 5 yen per share, and the year-end dividend for the current fiscal year will be 12 yen per share.

3. Mid- and long-term management strategy and Issue to deal with

Our basic business strategy consists of the following three factors:

Multi-business-centered strategy with UNITED ARROWS business chain at its core

Strategy of restricting the number of stores per business chain in order to maintain the royalty held by each store high

Long-term strategy to expand the size of stores in order to maximize the sales of each store

The above strategies are aimed at operating different types of business of high royalty through limiting the number of stores, centering on “UNITED ARROWS”, our current main business, and at the same time to maximize the sales of each store by expanding its sales floor space respectively.

Especially for multi-business-centered strategy, we believe that this is the most important issue for our future growth and expansion. We will promote the establishment of the structural enhancement in the earlier stage to pursue the development and fostering of the business as a core for the next generation.

In addition, we aim to cover all “from downstream range to upstream range” concurrently with higher dimension as mid-term goals, which will include 1) “customer service and sales”, 2) “purchase of merchandises (selection of merchandises)”, and 3) “product planning (creation of merchandises)”. This is what we call the “Super SPA” (*) concept. We will make our continuing efforts for various corporate restructuring across departments to realize it.

We have an intention to grow a “high value-added, multi-business-centered, innovative retailer” by developing the above strategies. We will also strive to achieve the sales of 100 billion yen for the fiscal year of ending March, 2011, and the ratio of Ordinary income to sales of 15% or more, as a mid-term management indicator.

*SPA = Specialty store retailer of Private label Apparel, which means a retail business with integrated management including original product planning, logistics, and sales.

4. Fundamental Idea and Performance of Measures about Corporate Governance

(1) Fundamental Idea about Corporate Governance

As stated above, we set our goal in “creating five kinds of value”, “the value for customers”, “the value for the employees”, “the value for trading partners”, “the value for the community”, and “the value for the shareholders”, and we as a public institution intend to contribute to improving Japanese lifestyle and culture.

Due to this, we have a basic policy of information disclosure to build a system to improve the efficiency and the soundness of the management, and to keep providing the unbiased information timely, continuously and voluntarily. We are making an effort to improve the transparency of the business management by introducing the proactive IR activities such as the periodic briefing session for each sector of investors (analyst and private investor), and e-mail delivery of monthly sales data, various press releases, and disclosure of statements on a timely basis.

(2) Performance of Measures about Corporate Governance

Internal organizations

We adopt a system of corporate auditors. Our board of auditors consists of four auditors, that will decide the audit policy based on the rules of board of auditors, and prepare the auditor’s report based on the report of each auditor, director, and the accounting auditor. Furthermore, all of four corporate auditors come from outside the Company.

They secure transparency of management and play a roll of supervising and auditing the whole organization.

A board of directors meeting consisting of six directors is held once a month in principle. The directors and the auditors will attend the board of directors meeting to make decision on any issues required by ordinances as well as any important issues defined by the rules of the board of directors and audit/manage the status of business administration. Also, we have been holding an extraordinary board whenever it is required, as well as a temporary management committee by directors and the officials in order to organize the system that will realize the effective business administration.

Moreover, we have been holding the management meetings as required. The directors and any parties concerned will attend the management meetings in order to examine any important issues in advance and confirm the intention for the management and business administration to be decided in the board of directors in addition to the decision making on the issues entrusted by the board of directors. As a result, we maintain the system that can provide prompt business administration.

Maintenance status of the system for internal control and risk management

In terms of the internal audit, an independent supervising organization directly reporting to the president, “Audit office” will execute the periodic audit on the ordinances, internal rules, and compliance of the rules. The internal audit in the Company aims to properly inspect the situations of preservation of assets held by the Company and business activities from a viewpoint of running a diagnostic check on management at all times. And at the same time, it intends to promote sound development of the Company by nipping illegal activities in the bud, and through rationalization and improvement of efficiency of the Company.

In terms of the risk management system, we have established “Risk Compliance Committee”. In order to play the role of the supervising function of the risk management activity as well as the compliance activity, we have been driving the continuous implementation of the management cycle including the maintenance of rules and standards concerned, the evaluation of the risk and control (controlling system), and the implementation of the ethical education.

Moreover, we have established “In-house reporting system” so that we will foster the corporate culture not to overlook even a smallest fraudulence or scandal, and protect any informants.

When the situation requests for a legal judgment, we are timely advised from a corporate lawyer.

Auditing company

We select Chuo Aoyama Audit Corporation. The Company executes a contract with this auditors group and provides correct information regarding management as well as it maintains an environment to enable these auditors to inspect from a fair and impartial position.

(3) Overview of the human relationship, capital relationship, business connections or other interests among the Company, the outside director and outside auditors of the Company

Nothing falls under the above matters.

(4) Performance of measures for fulfillment of corporate governance in the year

Annual shareholders meeting

The Company held the 16th Annual shareholders meeting on June 23, 2005. The date was selected to avoid the concentration date for Annual shareholders meeting of companies settling closing accounts at March-end, and 100 persons were present. As series of measures taken for open Annual shareholders meeting, the Company held a “Management Report Meeting” that looked at corporate business strategy in the future and so on for the attended shareholders after the Annual shareholders meeting.

Launching of special section and organization

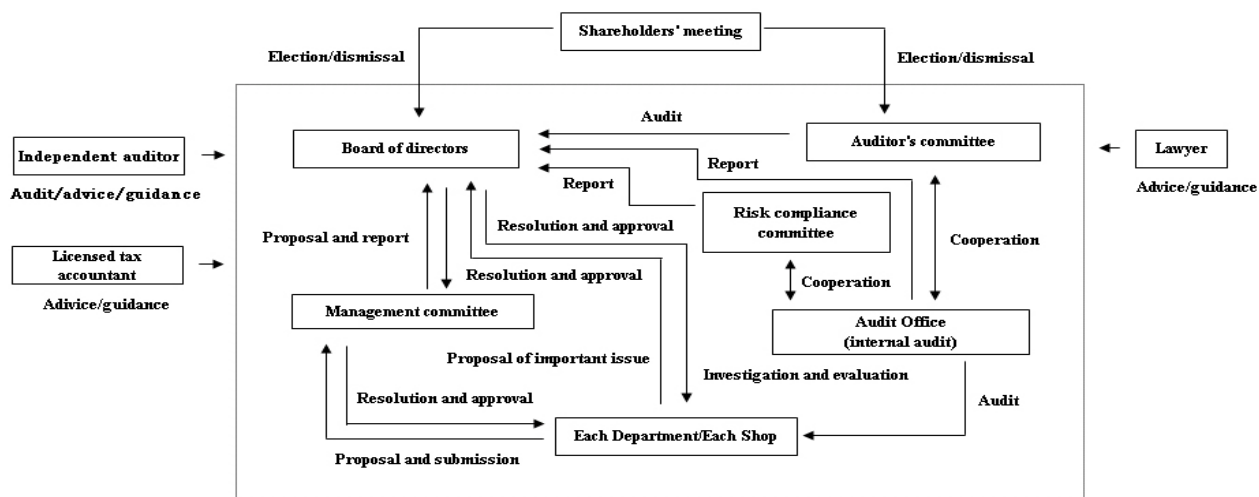
In January 2005, we have newly established “Customer Consulting Support Office” as a special section for any contacts to reflect the inquiries and requests from the customers in our product planning and our customer service, to enhance our customers’ satisfaction and to improve the quality of management and the administration system.

Issues related to individual information

In preparation for the enforcement of the “Law concerning the protection of the personal data”, we have newly organized “Protection Policy on Personal Information” and various relevant rules in November 2004 in order to maintain and improve the control level, provide security to the information source and improve the satisfaction. This policy and the rules have been formulated based on the law concerning the protection of personal information and JISQ15001 (requirements by the compliance program concerning the protection of individual information).

In addition, along with the formulation of the policy and the rules, the Risk Compliance Committee has been holding individual briefing sessions for all stores including each section of the headquarters and franchise stores handling personal information, so that we can strengthen the control system and provide awareness on the protection of individual information.

Our corporate governance system can be illustrated as follows.



. Operating Results and Financial Condition

1. Overview of this interim business performance

Exploring a stabilized growth, Japanese economy in this interim accounting period has been undergone a transition with the improvements of the motivation for capital investment as well as the hiring interest as a indicator for resilience of economy, and has been recovering slowly as a supporting evidence of the government's declaration for the finish of the deflation.

In the retail industry such as apparel where we belong to, we had relatively encouraging topics in this period including the stable consumer appetite and the development of new customer segments thanks to the "COOL BIZ" at the initiative of the Japanese government.

Under the circumstances, we have been continuously working steadily and surely on the corporate restructuring including various internal measures.

To be more precise, attempting the accomplishment of "Super SPA" concept, we have newly established MD supervising Dept. in April 2005 to promote flexible structuring of the organization to strengthen relationship and cooperation with each trading partner and to pursue further cost reduction.

Also, in addition to the quality of product and the quality of sales, we have started and various projects with major themes such as "the improvement of the gross profit margin", "the optimization of inventory level", and "the reduction of the ratio of operating expenses to sales" and promoted each of them.

As these measures have been demonstrating tangible accomplishments such as the near achievement of target values announced in the first half, we will keep structuring and working on the system strongly propelling the accomplishment further from the last half and onward.

In this fiscal year, the Company's accomplishments in store opening and others for each business chain or operation were as follows.

UNITED ARROWS (UA) business chain

- Enlarged "UNITED ARROWS SHIBUYA KOEN DORI" (in Shibuya-ku, Tokyo on June 10)
- Renewed "UNITED ARROWS IKEBUKURO" (in Toshima-ku, Tokyo on September 2)
- Enlarged "UNITED ARROWS YOKOHAMA" (in Yokohama-shi, Kanagawa on September 9)

Green Label Relaxing (GLR) business chain

- Enlarged "Green Label Relaxing nagoya" (in Nagoya-shi, Aichi on August 27)
- Renewed "Green Label Relaxing funabashi" (in Funabashi-shi, Chiba on September 2)
- Opened "Green Label Relaxing okayama" (in Okayama-shi, Okayama on September 15)

Small Business Units (S.B.U.) and UA labs

(S.B.U. means small business units targeting an increasing the number of stores for future growth)

- Opened "Jewel Changes Shinjuku" (in Shinjuku-ku, Tokyo on May 10)
- Opened "DARJEELING DAYS MARUNOUCHI" (in Chiyoda-ku, Tokyo on June 25)
- Enlarged "Odette é Odile UNITED ARROWS shinjuku" (in Shinjuku-ku, Tokyo on September 2)
- Opened "Odette é Odile UNITED ARROWS yokohama" (in Yokohama-shi, Kanagawa on September 9)
- Relocated and enlarged "DAIKANYAMA TOKISHIRAZU" (in Shibuya-ku, Tokyo on August 21)

As a result, the Company owned a total of 71 stores in September 2005. The breakdown of each business was Follows: UA business chain had 23 stores, UA Label Image Store 2 stores, GLR business chain had 22 stores, CH business chain had 3 stores and S.B.U. and UA labs had 21 stores.

As to year-on-year sales of each business, UA business chain reached 13,375 million yen (increased 6.8% by the previous period, GLR business chain reached 4,435 million yen (increased 21.9% by the same), CH business chain reached 1,522 million yen (increased 28.0% by the same) and S.B.U. and UA labs reached 2,286 million yen (increased 57.9% by the same).

In consequence, the company total sales of this interim accounting period reached 23,641 million yen (increased 15.4% by the previous period), the ordinary income of 2,922 million yen (increased 40.0% by the same), and the net income of 1,494 million yen (increased 26.0% by the same). Sales and profits per each category have exceeded those of the last year's results as well as the initial plan in the period. We could achieve the highest profit in the interim accounting period.

2. Condition of Cash Flows interim Period

Cash and cash equivalents (hereinafter referred to as “Cash”) was 4,465 million yen at the end of this interim period, increased 637 million yen by the end of the previous fiscal year of 3,827 million yen.

The condition of each cash flows in this interim period and its factors are as follows:

(Cash flows from operating activities)

Cash gained from operating activities in this interim period was 1,801 million yen (increased 162.9% by the previous period). It was mainly due to the gain on the net income before taxes of 2,549 million yen, depreciation expense of tangible fixed assets of 269 million yen, and an increase of 2,446 million yen in accounts payable, despite increase of 1,662 million yen in inventories and 1,367 million yen of payment of income taxes.

(Cash flows from investing activities)

Cash used for investing activities in this interim period was 673 million yen (increased 365.9% by the previous period). This was largely attributable to 75 million yen in Proceeds from loans receivable in affiliates, despite purchase of tangible fixed assets accompanying new store openings and store renovations etc., of 465 million yen, Purchase of long-term prepaid expense of 137 million yen and Increase of 84 million yen in guarantee deposits paid for partial stores.

(Cash flows from financing activities)

Cash used for financing activities in this interim period was 489 million yen (decrease of 36.6% of the previous period). This was attribute to 328 million yen of Payments for repayment of long-term debt, 241 million yen of the dividend payments.

The indicators of our cash flows are as follows:

	Fiscal Year ended March 2004		Fiscal Year ended March 2005		Fiscal Year ended March 2006
	Interim	Interim	Interim	The end of the year	Interim
Shareholders' equity ratio (%)	56.0	64.7	66.4	68.0	66.1
Shareholders' equity ratio at market value (%)	194.0	278.8	247.1	245.8	401.5
Debt redemption period (number of years)	-	1.1	2.2	0.3	0.5
Interest coverage ratio	-	170.2	133.6	422.0	615.9

(Note) Ratio of shareholders' equity = Shareholders' equity / Total assets

Ratio of shareholders' equity at market value = Total amount of shares at market value / Total assets

Debt redemption period = Interest-bearing liabilities Cash flows from operating activities

Interest coverage ratio = Cash flows from operating activities / Interest payment

1. Each indicator was calculated based on financial figures on a non-consolidated basis.
2. The total amount of shares at market value was calculated by multiplying the final share price at the end of the fiscal year by the total number of shares issued at the end of the fiscal year.
3. Cash flows from operating activities mean the cash flows from operating activities recorded on statements of cash flows. The interest-bearing liabilities mean the total interest-bearing liabilities recorded on a balance sheet. The interest payment means the amount of payment for interest recorded on a cash flow statement.
4. The debt redemption period and the interest coverage ratios were not indicated above due to cash flows from operating activities in interim period of the fiscal year ended March 2004 were negative results.

3. Major issues to be solved and Overview of the whole business year

In terms of the prospects, though we can expect the improvement of the personal consumption along with the recovery of the domestic economy, the apparel retail industry has been experiencing the acceleration of diversification and the change. Thus, we believe that we are still under severe management environments where only the corporations and stores coping appropriately with quickly changing demands from customers can survive the competition.

Under the circumstances, we will continuously work on various corporate restructuring to pursue the achievement of "Super SPA" concept and share company-wide sense of emergency to achieve the improvement of various managerial indexes. Moreover, along with the continuous enhancement of products, we will start the company-wide improvement of the sales as the core of our business, return to the basic of the sales opportunity again, and review the basic operation at stores thoroughly.

Also, we will accelerate the opening stores of the Small Business Units based on the multi-business-centered strategy and aim at the improvement of the recognition and the expansion of the sales as the core business of the next generation.

Under such condition, we estimate for the full business year sales of 52,196 million yen (increased 12.7% over the previous period), ordinary income of 7,204 million yen (increased 19.3% by the same), and net income of 3,897 million yen (increased 12.1% by the same).

4. Financial Statements

(1) Balance Sheets

(1) Balance Sheets				(In million of yen)			
		The 16 th Term (As of September 30, 2004)		The 17 th Term (As of September 30, 2005)		B/S Summary of Previous Fiscal Year as of March 31, 2005	
		Amount	%	Amount	%	Amount	%
<u>Assets:</u>							
I Current assets							
1. Cash and cash equivalents		1,401		4,465		3,827	
2. Notes and accounts receivable-trade		84		87		57	
3. Inventories		10,842		11,879		10,216	
4. Notes and accounts receivable-other		2,670		3,338		3,106	
5. Others		627		737		792	
Total current assets			15,626 62.5		20,507 67.6		18,001 65.1
II Fixed assets							
1. Tangible fixed assets							
(1) Buildings		3,509		3,703		3,570	
(2) Lands		1,082		1,082		1,082	
(3) Others		539		543		576	
Total tangible fixed assets		5,131	20.6	5,329	17.5	5,229	18.9
2. Intangible fixed assets		535	2.1	477	1.6	498	1.8
3. Investments and other assets							
(1) Long-term lease deposits		3,228		3,471		3,386	
(2) Others		542		632		597	
(3) Allowance for doubtful accounts		(64)		(64)		(64)	
Total investments and other assets		3,706	14.8	4,039	13.3	3,919	14.2
Total fixed assets			9,373 37.5		9,846 32.4		9,646 34.9
Total assets			25,000 100.0		30,353 100.0		27,648 100.0
<u>Liabilities:</u>							
I Current liabilities							
1. Note and accounts payable-trade		3,902		5,857		3,410	
2. Current portion of long-term debt		656		672		656	
3. Notes and accounts payable-other		1,189		1,670		1,662	
4. Income taxes payable		862		1,036		1,462	
5. Accrued bonus		505		440		469	
6. Other		185		163		399	
Total current liabilities			7,301 29.2		9,841 32.4		8,060 29.2
Long-term liabilities							
1. Long-term borrowings		852		180		524	
2. Accrued retirement benefits for directors		123		136		130	
3. Long-term guarantee deposits received		120		120		120	
Total long-term liabilities			1,096 4.4		437 1.5		775 2.8
Total liabilities			8,398 33.6		10,278 33.9		8,835 32.0
<u>Shareholders' equity:</u>							
Common stock, no par value							
		3,030	12.1	3,030	10.0	3,030	10.9
Capital surplus							
1. Additional paid-in capital		4,095		4,095		4,095	
Total Capital surplus			4,095 16.4		4,095 13.5		4,095 14.8
Retained earnings							
1. Legal reserve		31		31		31	
2. Unappropriated retained earnings for the interim		12,027		15,370		14,203	
Total retained earnings			12,058 48.2		15,401 50.7		14,234 51.5
Treasury stock			(2,582) (10.3)		(2,453) (8.1)		(2,547) 9.2
Total shareholders' equity			16,601 66.4		20,074 66.1		18,812 68.0
Total liabilities and shareholders' equity			25,000 100.0		30,353 100.0		27,648 100.0

(2) Statement of Income

	(In million of yen)					
	The 16 th Term		The 17 th Term		B/S Summary of Previous Fiscal Year	
	(As of September 30, 2004)		(As of September 30, 2005)		as of March 31, 2005	
	Amount	%	Amount	%	Amount	%
Sales	20,485	100.0	23,841	100.0	46,330	100.0
Cost of sales	9,560	46.7	10,900	46.1	21,693	46.8
Gross profit	10,925	53.3	12,740	53.9	24,636	53.2
Operating expenses	8,853	43.2	9,827	41.6	18,555	40.1
Operating income	2,071	10.1	2,913	12.3	6,080	13.1
Other income	86	0.4	102	0.4	175	0.4
Other expenses	70	0.3	92	0.3	219	0.5
Ordinary income	2,087	10.2	2,922	12.4	6,037	13.0
Extraordinary income	2	0.0	-	0.0	2	0.0
Extraordinary losses	69	0.3	373	1.6	130	0.3
Net income before taxes	2,020	9.9	2,549	10.8	5,909	12.7
Income taxes – Current *	817		985		2,466	
Income taxes – Deferred	17	835	70	1,055	(33)	2,432
Net income	1,185	5.8	1,494	6.3	3,476	7.5
Retained earnings beginning balance	10,849		13,891		10,849	
Losses on treasury stock transactions	7		14		12	
Interim dividend	-		-		109	
Unappropriated retained earnings for the term	12,027		15,370		14,203	

*Income taxes- Current consists of corporate income tax (national), enterprise tax (local), and resident income taxes (local).

(3) Statement of Cash Flows

		(In million of yen)	
	The 16 th Term (As of September 30, 2004)	The 17 th Term (As of September 30, 2005)	B/S Summary of Previous Fiscal Years of March 31, 2005
	Amount	Amount	Amount
Cash flows from operating activities			
Net income before taxes	2,020	2,549	5,909
Depreciation	253	269	525
Amortization of intangible fixed assets	73	57	148
Amortization of long-term prepaid expenses	28	32	57
Increase / (Decrease) in accrued bonuses	84	(28)	47
Increase in accrued retirement benefits	6	6	13
Interest and dividend income	(0)	(0)	(0)
Interest expenses	5	2	9
Loss on disposal of tangible fixed assets	56	137	65
Gain on sale of tangible fixed assets	(2)	-	(2)
Loss on disposal of long-term prepaid expenses	4	23	41
Decrease / (Increase) in accounts receivable	105	(222)	(309)
Increase in inventories	(1,248)	(1,662)	(622)
Increase in other current assets	(47)	(133)	(75)
Increase in accounts payable	572	2,446	80
Decrease in other current liabilities	(2)	(236)	561
Bonuses to directors	(43)	(69)	(43)
Subtotal	1,867	3,171	6,407
Receipt of interest and dividends	0	0	0
Payment of interest	(5)	(2)	(9)
Payment of income taxes	(1,177)	1,367	(2,274)
Net cash from operating activities	685	1,801	4,122
Cash flows from investing activities			
Drawing from time deposits	-	-	10
Investment in newly consolidated entity	(5)	-	(5)
Increase in consolidated entity loan receivables	(10)	-	(75)
Proceeds from loans receivable in affiliates	-	75	-
Proceeds from sale of tangible fixed assets	2	-	2
Purchase of tangible fixed assets	(306)	(465)	(575)
Purchase of intangible fixed assets	(38)	(61)	(117)
Purchase of long-term prepaid expense	(5)	(137)	(39)
Guarantee deposits paid	218	(84)	60
Decrease in other investment	0	0	0
Net cash from (use in) investing activities	(144)	(673)	(738)
Cash flows from financing activities			
Increase in short-term borrowings	(300)	-	(300)
Payments for repayment of long-term debt	(328)	(328)	(656)
Purchase of treasury stocks	-	(0)	-
Exercise of stock options	36	79	66
Dividends paid	(180)	(241)	(290)
Net cash used in financing activities	(772)	(489)	(1,180)
Effect of exchange rate changes on cash and cash equivalents	-	-	-
Net increase / (decrease) in cash and cash equivalents	(231)	637	2,203
Cash and cash equivalents at beginning of the year	1,623	3,827	1,623
Cash and cash equivalents at end of the year	1,391	4,465	3,827

(References) Sales for the Interim Period ended September 30, 2005

For The Previous Interim : (from April 1, 2004 to September 30, 2004)

For This Interim : (from April 1, 2005 to September 30, 2005)

Total Sales

(In million of yen, %)

	For The Previous Interim (A)	For This Interim(B)	Increase or Decrease (B)-(A)	Growth
Total Sales	20,485	23,641	3,155	15.4

Sales by Chain

(In million of yen, %)

	For The Previous Interim (A)	For This Interim(B)	Increase or Decrease (B)-(A)	Growth
UA	12,523	13,375	852	6.8
GLR	3,637	4,435	798	21.9
CH	1,189	1,522	333	28.0
*S.B.U.&UA Labs	1,448	2,286	838	57.9
Business units total	18,798	21,620	2,822	15.0
*Others	1,687	2,020	333	19.8

*1. S.B.U. =Small Business Unit

*2. In this term, a new category of "Total business units sales" is disclosed.

It includes the sales of retail, wholesale, mail-order and formal wear rental.

"Other sales" includes the sales of outlet and outside shops.

The sales of the previous interim were retroactively calculated.

Sales of Existing stores (For This Interim, Retail, YOY)

(%)

	Sales Growth Ratio	Number of Customer Growth Ratio	Ave. Spending per Customer Growth Ratio
UA	6.4	1.2	5.1
GLR	5.6	(0.6)	6.2
CH	24.3	28.3	(3.1)
S.B.U.&UA Labs	12.1	6.0	5.8
Retail	7.9	1.4	6.4

