November 12, 2007

Summary of Financial Conditions and Business Results for the Interim Ended September 30, 2007* (Consolidated)

Corporate Name:	UNITED ARROWS LTD.
Code Number:	7606
URL:	http://www.united-arrows.co.jp/
Securities Traded:	Tokyo Stock Exchange, First Section
Location of Headquarters:	Tokyo
Representative:	Tetsuya Iwaki, President and COO
Contact:	Masami Koizumi, Department Manager,
	Finance & Accounting Department
Telephone:	+81-3-5785-6325
Deadline of Interim Yuho:	December 25, 2007(expected)
Date to start payment of dividends:	December 10, 2007(expected)

*The "Summary of Financial Conditions and Business Results for the Interim ended September 30, 2007" is an English translation of the original Japanese version. If any doubts arise as to the interpretation of this English version, the Japanese version shall take precedence.

Note: Figures smaller than ¥100 million are rounded down.

1. Consolidated Business Results of the Interim Ended September 2007 (from April 1, 2007 to September 30, 2007)

(1)Consolidated Business Performance

(% indicates increase / decrease YoY)

	Sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
Interim ended September 2007	31,659	(18.3)	1,524	(△43.6)	1,565	(△41.9)
Interim ended September 2006	26,754	(-)	2,703	(-)	2,693	(-)
Fiscal Year Ended March 2007	60,959		7,350		7,337	

	Net income		Net income per share	Net income per share after adjusting dilutive shares
	¥ million	%	Yen	yen
Interim ended September 2007	2,225	(81.2)	53.57	53.17
Interim ended September 2006	1,228	(-)	29.73	29.42
Fiscal Year Ended March 2007	3,511		84.98	84.18

(Reference) Gains and losses on investment by equity method

Interim ended September 2007 ¥ -million,

Interim ended September 2006 ¥ -million

Fiscal Year Ended March 2007 ¥ -million

Notes: 1. Common stocks were split two for one on April 1, 2006

2. As a consolidated financial statement is used from fiscal year ended March 2006, increase / decrease compared with September 2005 are not indicated.

(2) Consolidated Financial Conditions

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	yen
Interim ended September 2007	43,561	22,589	51.9	525.17
Interim ended September 2006	37,493	15,474	41.3	374.22
Fiscal Year Ended March 2007	38,132	17,635	46.2	426.33

(Reference) Net worth

Interim ended September 2007 22,589 million yen

Interim ended September 2006 15,474 million yen

Fiscal Year Ended March 2007 17,635 million yen

Notes: 1. Common stocks were split two for one on April 1, 2006

(3) Consolidated 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
Interim ended September 2007	△875	1,084	△87	3,092
Interim ended September 2006	845	△3,048	△1,174	4,272
Fiscal Year Ended March 2007	1,801	△4,198	△2,281	2,971

2. Conditions of Dividend Payment

	Dividend per share		
	Interim end	Term end	Full year
Term ended March 2007	yen 3.00	yen 7.00	yen 10.00
Term ended March 2008	10.00	-	25.00
Term ended March 2008 (estimate)	-	15.00	

3. Projected Consolidated Performance of the Fiscal Year Ending March 2008 (from April 1, 2007 to March 31, 2008)

(% indicates increase / decrease YoY)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	yen
Full Term	72,514	19.0	5,232	△28.8	5,263	△28.3	4,098	16.7	97.75

4. Others

(1) Transfer of important subsidiaries in the term (transfer of specified subsidiary due to change in area of consolidation): no

(2) Changes in accounting principles / procedures, description methods, etc to prepare consolidated financial reports:

1. Changes due to revision of accounting standards: yes
2. Changes other than 1: no

(3) Number of stocks issued (common stocks)

1. Number of stocks issued as of the term end (including treasury stocks)

Interim ended September 2007: 47,700,000 stocks

Interim ended September 2006: 47,700,000 stocks

Fiscal year ended March 2007: 47,700,000 stocks

2. Number of treasury stocks as of the term end

Interim ended September 2007: 4,686,633 stocks

Interim ended September 2006: 6,349,317 stocks

Fiscal year ended March 2007: 6,333,442 stocks

(For reference) Overview of Non-consolidated Business Results

1. Non-consolidated Business Results of the Interim Ended September 2007 (from April 1, 2007 to September 30, 2007)

(1) Non-consolidated Business Performance

(% indicates increase / decrease YoY)

	Sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
Interim ended September 2007	30,434	(18.5)	1,438	(△45.5)	1,486	(△43.7)
Interim ended September 2006	25,689	(8.7)	2,640	(△9.4)	2,640	(△9.7)
Fiscal Year Ended March 2007	58,666		7,148		7,156	

	Net income		Net income per share	Net income per share after adjusting dilutive shares
	¥ million	%	Yen	yen
Interim ended September 2007	2,254	(77.5)	54.27	53.87
Interim ended September 2006	1,270	(△15.0)	30.75	30.43
Fiscal Year Ended March 2007	3,540		85.67	84.87

Notes: 1. Common stocks were split two for one on April 1, 2006

(2) Non-consolidated Financial Situation

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	yen
Interim ended September 2007	42,853	22,604	52.7	525.53
Interim ended September 2006	36,981	15,473	41.8	374.21
Fiscal Year Ended March 2007	37,489	17,622	47.0	426.00

(Reference) Net worth

Interim ended September 2007 22,604 million yen

Interim ended September 2006 15,473 million yen

Fiscal Year Ended March 2007 17,622 million yen

Notes: 1. Common stocks were split two for one on April 1, 2006

3. Projected Non-consolidated Performance of the Fiscal Year Ending March 2008 (from April 1, 2007 to March 31, 2008)

(% indicates increase / decrease YoY)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	yen
Full Term	69,859	19.1	5,162	△27.8	5,200	△27.3	4,263	20.4	101.67

※Explanation regarding appropriate use of projected business performance

The above projection was made based on information available at present. Please note in advance that potential risks and uncertainties are included. The actual figures might differ from the figures stated above due to any possible factor. Please refer to the attached documents starting from the next page for the preconditions and further information for the projected figures.

Ⅱ Qualitative Information, Financial Results, etc.

1. Business Performance

(1) Analysis of business performance

In this interim, the Japanese economy showed a modest upturn trend due to the improvement of company performances which were reflected into household economy. However, personal spending did not recover as expected due to the changes in tax policies and price appreciation of food and daily necessary products caused by the rise in oil prices.

In the clothing retailing industry where our group stands, a difficult business environment continued due to reasons mentioned above, and also because of unsettled weather conditions.

Under these circumstances, our group continued to strengthen merchandise and sales service to realize the “Super SPA concept”.

To strengthen merchandise, we inculcated the basic product strategy that was revised in the previous fiscal year to share knowledge within the company which becomes more difficult as business expands. We added presentation materials and visual explanation, and also made opportunities so that the managing directors and managers who are in charge of actual product planning can discuss directly about the strategy. In terms of organizational changes, we established a new division (MD Supervising Division) in July to strengthen merchandises throughout the company. For the merchandise section of each of the main businesses, we made efforts to establish a system to make additional manufacturing possible during the middle of the season. For example, we improved accuracy of collected information so that merchandisers can develop manufacturing plans and make interim adjustments effectively. We also introduced indicators so that each process of operation can be visualized, and we also actively recruited staff from other companies.

To strengthen sales service, we carried on revising the basic sales strategy to share knowledge within the company and inculcate the idea to all employees. In terms of organizational changes, we established a new division (Sales Supervising Division) in July to improve the sales service quality throughout the company. We also promoted part-time workers to regular workers in August to raise working motivation of our staff, decrease employees leaving the company, and strengthen recruitment of sales staff, which is becoming increasingly difficult within the industry.

To strengthen both merchandise and sales service, we have revised our training programs from this April, and have introduced an internal college method so that all employees can take training programs from a wide curriculum.

We also continued to strengthen new store openings in this interim. In the UNITED ARROWS business, we opened 6 new stores in hot commercial facilities such as Shin-Marunouchi Building (Chiyoda-ku, Tokyo) and Marronnier Gate (Ginza, Chuo-ku, Tokyo). We opened 5 new green label relaxing stores, and 10 new stores under S.B.U. (small business unit) and UA Labs. The total number of stores that UNITED ARROWS LTD. operated at the end of September 2007 was 124 stores.

For our consolidated subsidiary Figo Co., LTD., we transferred the store in Kyoto to gather more customers, and also strengthened sales by renovating 2 stores.

Additionally, we established a new non-consolidated subsidiary in August named PERENNIAL UNITED ARROWS LTD., which targets women mainly in their 30s to 40s. Also, we signed a basic agreement on business alliance with Mitsubishi Corporation to further improve our corporate value, and disposed around 1.62 million treasury stocks to Mitsubishi Corporation for approximately ¥2.9 billion.

As a result, total consolidated sales reached ¥31,659 million (+18.3% YoY) for this interim. Gross profit was ¥16,470 million (+11.2% YoY) but gross profit margin declined by 3.4 points to 52.0% because composition ratio of bargain sales increased and product valuation loss was posted. Selling, general and administrative expenses rose up to ¥14,945 million (+23.5% YoY) due to increase of personnel costs (increase of headcount in merchandise section for mid to long-term growth, increase of recruitment of new graduates, promotion of part-time workers to regular workers to strengthen sales at stores, etc.) and consolidated ordinary profit declined to ¥1,565 million (-41.9% YoY). Additionally, a part of land and property was sold during the interim to promote a flexible store opening strategy, and gain from this sale of ¥2,538 million was posted as extraordinary profit. Therefore, consolidated net income for the interim increased to ¥2,225 million (+81.2% YoY).

(2) Analysis of financial conditions

Cash and cash equivalents (hereinafter referred to as “Cash”) in this interim increased by ¥121 million to ¥3,092 million compared to the same period in the previous year.

Each cash flow condition and its reasons for this interim were as follows:

(Cash flows from operating activities)

Cash used in operating activities in this interim was ¥875 million (compared to an increase in cash of ¥845 million in the previous interim).

This was because of net income before taxes of ¥3,920 million, increase of accounts payable of ¥2,128 million and depreciation expense of ¥394 million, which could not be covered by increase of inventories of ¥3,920 million, increase of accounts receivable of ¥131 million yen, and payment of income taxes of ¥1,675 million.

(Cash flows from investing activities)

Cash gained from investing activities in this interim was ¥1,084 million (compared to payment of cash of ¥3,048 million in the previous interim).

This was largely due to an increase in cash of ¥3,098 million caused by the sale of tangible fixed assets. Payment of cash was mainly due to purchase of intangible fixed assets for new store openings, etc. of ¥1,038 million.

(Cash flows from financing activities)

Cash used for financing activities in this interim was ¥87 million yen (decline by 92.5% compared to the previous interim).

This was due to increase of cash by ¥3,015 million by disposal of treasury stocks and decrease in short-term borrowings by ¥1,000 million and repayment of long-term debt by ¥1,810 million yen, etc.

The indicators of our cash flows are as follows:

	Previous consolidated Interim	This consolidated Interim	Previous fiscal year
Shareholders’ equity ratio (%)	41.3	51.9	46.2
Shareholders’ equity ratio at market value (%)	229.8	153.8	282.1
Cashflow / Interest bearing debt (number of years)	10.9	-	4.6
Interest coverage ratio (times)	20.4	-	21.7

Notes: Ratio of shareholders’ equity = Shareholders’ equity / Total assets

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

Cashflow / Interest bearing debt = Cash flows from operating activities / Interest-bearing debt

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

1. Each indicator was calculated based on financial figures on a 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 means the cash flows from operating activities recorded on statements of cash flows. Interest-bearing debt means the total interest-bearing debt recorded on the balance sheet. Interest payment means the amount of payment for interest recorded on a cash flow statement.
4. As cash flows from operating activities are negative for this interim, Cash flows from operating activities / Interest-bearing debt and interest coverage ratio has not be calculated.

(3) Basic policy concerning profit sharing and dividend payments for this fiscal year

As for our basic policy concerning profit sharing, recognizing that maximizing value for our shareholders is a matter of great importance to our management, thus we intend to return profits to our shareholders by increasing dividend payments, stock splits, etc. We also intend to enhance our reputation in the stock market and maximize market capitalization to increase value for our shareholders.

While considering the business environment and business performances, we will pay careful attention to balance investments to develop new stores, capital expenditures to grow business in the future, and necessary retained earnings. In order to improve distribution of profit to our shareholders, we will also bear in mind our profit level and dividend payout ratio.

For this fiscal year, the interim dividend payment will be ¥10 per share, year end dividend payment is expected to be ¥15, and total dividend payment for the fiscal year is expected to be ¥25.

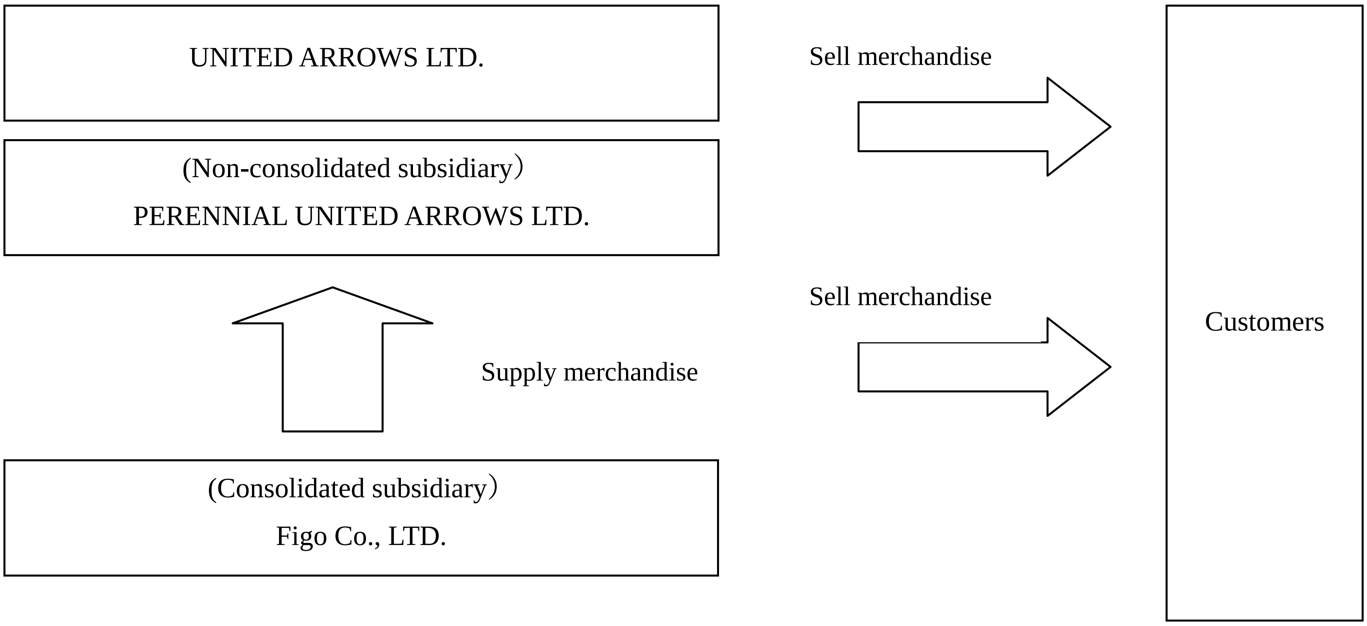
2. Status of corporate group

Our group is composed of three companies; UNITED ARROWS LTD., consolidated subsidiary Figo Co., LTD., and non-consolidated subsidiary PERENNIAL UNITED ARROWS LTD. Our main businesses are planning and selling men's and women's apparel and related goods.

<u>Status of associated company</u>

We established an associated company (non-consolidated subsidiary) on August 24, 2007 as below. The main business is planning and selling women's clothes and accessories. As this associated company is small in size, the total assets, total sales, interim net profit and loss and retained earnings do not have a large impact on the interim results. Therefore, it is not included as a consolidated company.

Name	Address	Capital stock	Main business	Ratio of total shares issued and outstanding (%)	relationship
（associated company） PERENNIAL UNITED ARROWS LTD.	Minato-ku, Tokyo	100	Planning and selling women's clothes and accessories	100.0%	5 concurrent directors



3. Management Policy

(1) Basic Business Policy of the Company

As the content of the basic business policy does not have an important change from the Summary of Financial Conditions and Business Results for the Fiscal Year Ended March 31, 2007 (announced on May 14, 2007), disclosure has been omitted here.

For the Summary of Financial Conditions and Business Results for the Fiscal Year Ended March 31, 2007, please look at following URL.

(Homepage of UNITED ARROWS LTD.)

http://www.united-arrows.co.jp/

(Homepage of Tokyo Stock Exchange Group Inc.)

http://www.tse.or.jp/english/index.html

(2) Medium to long-term business strategy and management indicators

Our basic business strategy consists of the following three factors:

① Diversification Strategy to expand new business laterally in order to enhance market coverage

② Restricted Store Number Strategy to maintain high store loyalty by restricting number of stores

③ Customer Value Maximization Strategy to create further value for our customers

We will expand new businesses laterally together with existing businesses to enhance market coverage and to enlarge company size. We will gain both wider market coverage and improved store loyalty by setting optimum number of stores according to each brand. We will actively acquire new customers and carry out one-to-one marketing to provide personalized service to increase customer loyalty to each of our customers.

In addition, as medium term goals, we aim to be a company that is involved all along the value chain from downstream to upstream, providing the highest levels of; 1) customer service and sales, 2) purchasing of merchandises (selecting merchandises), and 3) product development (manufacturing). We call this process the “Super SPA” (*) concept.

The UNITED ARROWS group will promote the three basic strategies, and we intend to evolve as an innovative retailer adding value in the multiple businesses it operates. As a mid-term management indicator, we will also strive to achieve ROE of more than 20%, continue to expand business and effectively manage stockholders’ equity and reach total sales of ¥120 billion to ¥130 billion, and ordinary profit of ¥15 billion to ¥17 billion by the end of fiscal year ending March 2011.

*SPA = Specialty store retailer of Private label Apparel; a retail company that is involved all along the value chain from manufacturing private label brands to distributing and retailing products.

(3) Tasks for the company

The basic strategy of our group is to expand businesses adding value, based on high store loyalty. To maintain and enhance the basic strategy, we believe that it is essential to maximize customer satisfaction by improving the quality of our sales service and merchandise, and we will continue to improve these by placing this as our important task to tackle.

To strengthen our merchandise, we have launched a new division during this interim, the MD Supervising Division, to establish a system to make additional manufacturing possible during the middle of the season, and also to improve sales of merchandise.

To strengthen our sales service, we have launched a new division during this interim, the Sales Supervising Division, and made efforts to inculcate the revised basic sales strategy throughout the company, and also established a system to improve store operation efficiency so that our sales staffs have more time to serve our customers directly.

Additionally, we will enforce a strict product purchasing and manufacturing regulation to maintain an optimum product inventory level and reduce remaining inventory to a minimum amount. We will minimize mark down ratio by keeping freshness of merchandise by managing both inventory and price at stores.

In the second half of the year, we will carry out a streamlining plan for our small businesses and restructure our brand portfolio and concentrate business resources in order to improve profitability. First of all, we will close two of the new type of stores operated by green label relaxing, namely five stores of “FACADE GREEN green label relaxing” and “ODONATA green label relaxing” by the second half of this fiscal year or the first half of the next fiscal year. We will also close one of the stores of the children’s clothing brand “Disney Loved By Nature for UNITED ARROWS” which is operated by green label relaxing. We will concentrate business resource of the three small businesses to the green label relaxing brand to expand sales and profitability of this business. Additionally, we will close the four stores of DARJEELING DAYS, a brand for men who are mainly in their 40s by the second half of this fiscal year or the first half of the next fiscal year. We will transfer the knowledge we gained from this business and human resources to the UNITED ARROWS business to which is under the procedure of restructuring store brands. The UNITED ARROWS business will enhance target customers to the age of the customers at DARJEELING DAYS on going. We are considering to continue the DARJEELING DAYS brand under the UNITED ARROWS business.

As a result, total consolidated sales is expected to be ¥72,514 million (+19.0% YoY), consolidated operating profit to be ¥5,232 million (-28.8% YoY), consolidated ordinary profit to be ¥5,263 million (-28.3% YoY) and consolidated net income to be ¥4,098 million (+16.7% YoY) at the end of the fiscal year.

4. Interim Financial Conditions (Consolidated) and others

Interim Financial Conditions (Consolidated)
(1) Balance Sheets for the Interim ended September 30, 2007 (Consolidated)

(Amount in millions of yen)

	Interim results (As of September 30, 2006)		**Interim results (As of September 30, 2007)**		Previous Fiscal Year (As of March 31, 2007)	
	Amount	%	**Amount**	**%**	Amount	%
Assets:						
I Current assets						
1. Cash and cash equivalents	4,369		**3,221**		3,091	
2. Notes and accounts receivable-trade	240		**214**		243	
3. Inventories	14,072		**18,178**		14,258	
4. Notes and accounts receivable-other	4,071		**4,757**		4,527	
5. Deferred tax assets	779		**1,518**		1,361	
6. Allowance for doubtful accounts	△ 2		**△ 2**		△ 3	
Total current assets	23,530	62.8	**27,887**	**64.0**	23,478	61.6
II Fixed assets						
1. Tangible fixed assets						
(1) Buildings	4,075		**4,983**		4,431	
(2) Land	1,082		**569**		1,077	
(3) Others	718		**1,055**		802	
Total tangible fixed assets	5,875	15.7	**6,609**	**15.2**	6,312	16.5
2. Intangible fixed assets						
(1) Consolidation goodwill	1,276		**957**		1,116	
(2) Others	1,711		**1,888**		1,824	
Total intangible fixed assets	2,987	7.9	**2,845**	**6.5**	2,941	7.7
3. Investments and other assets						
(1) Long-term guarantee mony deposited	4,534		**5,327**		4,828	
(2) Others	565		**891**		572	
Total investments and other assets	5,100	13.6	**6,219**	**14.3**	5,401	14.2
Total fixed assets	13,963	37.2	**15,674**	**36.0**	14,654	38.4
Total assets	37,493	100.0	**43,561**	**100.0**	38,132	100.0
Liabilities:						
I Current liabilities						
1. Notes and accounts payable-trade	7,917		**9,332**		7,203	
2. Current portion of bonds	10		**5**		10	
3. Short-term borrowings	-		**-**		1,000	
4. Current portion of long-term debt	3,801		**3,620**		3,620	
5. Accounts payable - other	2,778		**2,828**		2,203	
6. Accrued bonus	590		**864**		659	
7. Others	1,269		**2,281**		1,950	
Total current liabilities	16,368	43.6	**18,931**	**43.4**	16,646	43.7
Ⅱ Long-term liabilities						
1. Corporate bond	5		**-**		-	
2. Long-term borrowings	5,426		**1,806**		3,616	
3. Reserve for retirement benefits for directors	145		**154**		154	
4. Other	74		**79**		80	
Total long-term liabilities	5,651	15.1	**2,040**	**4.7**	3,850	10.1
Total liabilities	22,019	58.7	**20,971**	**48.1**	20,496	53.8
Net Assets:						
I Shareholders' equity						
1. Common stock, no par value						
2. Capital surplus	3,030		**3,030**		3,030	
3. Retained earnings	4,095		**4,480**		4,095	
4. Treasury stock	18,493		**22,576**		20,640	
Total shareholders' equity	△ 10,143		**△ 7,487**		△ 10,117	
	15,475	41.3	**22,599**	**51.9**	17,648	46.2
Ⅱ Valuation and translation differences						
1 Deferred profit and loss on hedges						
Total valuation and translation differences	△ 1		**△ 10**		△ 12	
Total net assets	△ 1	(0.0)	**△ 10**	**(0.0)**	△ 12	(0.0)
Total liabilities and net assets	15,474	41.3	**22,589**	**51.9**	17,635	46.2
	37,493	100.0	**43,561**	**100.0**	38,132	100.0

(2) Statement of Income for the Interim ended September 30, 2007 (Consolidated)

	Interim results (As of September 30, 2006)			**Interim results (As of September 30, 2007)**			Previous Fiscal Year (As of March 31, 2007)		
	Amount		%	**Amount**		**%**	Amount		%
Ⅰ Sales		26,754	100.0		**31,659**	**100.0**		60,959	100.0
Ⅱ Cost of sales		11,945	44.6		**15,189**	**48.0**		27,887	45.7
Gross profit		14,809	55.4		**16,470**	**52.0**		33,072	54.3
Ⅲ Operating expenses		12,105	45.3		**14,945**	**47.2**		25,721	42.2
Operating income		2,703	10.1		**1,524**	**4.8**		7,350	12.1
Ⅳ Other income									
1. Interest income	0			**3**			2		
2. Rent income	56			**49**			108		
3. Other	33	90	0.3	**76**	**129**	**0.4**	75	187	0.3
Ⅴ Other expenses									
1. Interest expenses	39			**32**			79		
2. Expenses - lease	51			**50**			102		
3. Donation	-			**-**			0		
4. Other	9	100	0.3	**5**	**88**	**0.3**	18	200	0.4
Ordinary income		2,693	10.1		**1,565**	**4.9**		7,337	12.0
Ⅵ Extraordinary income									
1. Gain on sales of tangible assets	6			**2,538**			6		
2. Others	-	6	0.0	**64**	**2,602**	**8.2**	-	6	0.0
Ⅶ Extraordinary losses									
1. Loss on retirement of fixed assets	322			**117**			416		
2. Provision for reserve for loss on guarantee of obliagtions	-			**-**			540		
3. Impairment Loss	123			**127**			123		
4. Other	38	484	1.8	**2**	**247**	**0.7**	38	1,119	1.8
Net income before taxes		2,215	8.3		**3,920**	**12.4**		6,224	10.2
Income taxes – Current *	960			**1,876**			3,203		
Income taxes – Deferred	26	987	3.7	**△ 180**	**1,695**	**5.4**	△ 490	2,712	4.4
Net income		1,228	4.6		**2,225**	**7.0**		3,511	5.8

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

(3) Consolidated Statements of Shareholders' Equity for the Interim ended September 30, 2007 (Consolidated)

■The Interim from April 1, 2006 to September 30, 2006

	Shareholders' Equity						
	Capital stock	Capital reserve	Other retained earnings	Treasury stocks	Total shareholders' equity	Valuation and translation differences, etc.	Total net assets
Balances at March 31, 2006	3,030	4,095	17,777	△ 10,337	14,565	-	14,565
Change in current interim							
Dividend of accumulated profit			△ 309		△ 309		△ 309
Directors' Bonus			△ 82		△ 82		△ 82
Net profit in current interim			1,228		1,228		1,228
Purchase of Treasury stocks				(0)	(0)		(0)
Disposal of Treasury stocks			△ 119	194	74		74
Change other than shareholders' equity (net amount) in current interim						△ 1	△ 1
Total amount of change in current interim			716	193	910	△ 1	908
Balance at September 30, 2006	3,030	4,095	18,493	△ 10,143	15,475	△ 1	15,474

■The Interim from April 1, 2007 to September 30, 2007

	Shareholders' Equity						
	Capital stock	Capital reserve	Other retained earnings	Treasury stocks	Total shareholders' equity	Valuation and translation differences, etc.	Total net assets
Balances at March 31, 2007	3,030	4,095	20,640	△ 10,117	17,648	△ 12	17,635
Change in current interim							
Dividend of accumulated profit			△ 289		△ 289		△ 289
Directors' Bonus							
Net profit in current interim			2,225		2,225		2,225
Purchase of Treasury stocks				(0)	(0)		(0)
Disposal of Treasury stocks		384		2,630	3,015		3,015
Change other than shareholders' equity (net amount) in current interim						1	1
Total amount of change in current interim		384	1,935	2,630	4,951	1	4,593
Balance at September 30, 2007	3,030	4,480	22,576	△ 7,487	22,599	△ 10	22,589

■Previous Fiscal Year (From April 1, 2006 to March 31, 2007)

	Shareholders' Equity						
	Capital stock	Capital reserve	Other retained earnings	Treasury stocks	Total shareholders' equity	Valuation and translation differences, etc.	Total net assets
Balances at March 31, 2006	3,030	4,095	17,777	△ 10,337	14,565	-	14,565
Change in current interim							
Dividend of accumulated profit			△ 433		△ 433		△ 433
Directors' Bonus			△ 82		△ 82		△ 82
Net profit in current interim			3,511		3,511		3,511
Purchase of Treasury stocks				△ 1	△ 1		△ 1
Disposal of Treasury stocks			△ 132	220	88		88
Change other than shareholders' equity (net amount) in current interim						△ 12	△ 12
Total amount of change in current interim			2,863	219	3,082	△ 12	3,070
Balance at March 31, 2007	3,030	4,095	20,640	△ 10,117	17,648	△ 12	17,635

(4) Consolidated Statements of Cash Flows for the Interim ended September 30, 2007 (Consolidated)

	Interim results (From Apr. 1, 2006 to September 30, 2006)	**Interim results (From Apr. 1, 2007 to September 30, 2007)**	Previous Fiscal Year (From Apr. 1, 2006 to March 31, 2007)
	Amount	**Amount**	Amount
Ⅰ Cash flows from operating activities			
Income before income taxes	2,215	**3,920**	6,224
Depreciation	293	**394**	648
Amortization of intangible fixed assets	60	**104**	148
Amortization of long-term prepaid expenses	34	**37**	66
Impairment loss	123	**127**	123
Amortization of consolidated adjustment account	159	**159**	319
Increase in accrued bonuses	110	**205**	179
Increase in accrued retirement benefits for directors	2	**0**	11
Increase in allowance for doubtful accounts	△0	**△0**	0
Interest and dividend income	△0	**△ 3**	△ 2
Interest expenses	39	**32**	79
Exchange gain	1	**△0**	0
Gain on sale of tangible fixed assets	△ 6	**△ 2,538**	△ 6
Loss on disposal of tangible fixed assets	187	**106**	241
Loss on disposal of intangible fixed assets	-	**-**	15
Loss on disposal of long-term prepaid expenses	34	**1**	45
Increase in accounts receivable	△ 506	**△ 131**	△ 973
Increase in inventories	△ 3,113	**△ 3,920**	△ 3,298
Decrease in other current assets	△ 9	**△ 89**	△ 59
Increase in accounts payable	2,437	**2,128**	1,722
Increase in other current liabilities	731	**295**	△ 158
Decrease in other long-term liabilities	-	**△0**	5
Bonuses to directors	△ 82	-	△ 82
Others	6	-	6
Subtotal	2,718	**829**	5,255
Interest and dividend income	0	**3**	2
Payment of interest	△ 41	**△ 32**	△ 83
Payment of income taxes	△ 1,832	**△ 1,675**	△ 3,373
Net cash from operating activities	845	**△ 875**	1,801
Ⅱ Cash flows from investing activities			
Transfer from time deposits	5	**-**	-
Transfer to time deposits	-	**△ 8**	△ 18
Proceeds from loans receivable in affiliates	5	-	5
Increase in consolidated entity loans receivables	△ 142	-	△ 142
Payments for purchases of shares of related company	-	**△ 100**	-
Payments for purchases of investment in securities	-	-	-
Proceeds from sales of tangible fixed assets	7	**3,098**	12
Purchase of tangible fixed assets	△ 1,136	**△ 1,038**	△ 1,718
Purchase of intangible fixed assets	△ 1,195	**△ 187**	△ 1,389
Purchase of long-term prepaid expense	△ 66	**△ 181**	△ 127
Guarantee deposits paid	△ 562	**△ 499**	△ 855
Decrease in other investment	34	**-**	34
Net cash from (used in) investing activities	△ 3,048	**1,084**	△ 4,198
Ⅲ Cash flows from financing activities			
Increase in short-term borrowings	△ 2,010	**△ 1,000**	△ 1,010
Proceeds from long-term debt	3,000	**.-**	3,000
Payments for repayment of long-term debt	△ 1,925	**△ 1,810**	△ 3,917
Redemption of bonds	△ 5	**△ 5**	△ 10
Purchase of treasury stocks	△0	**△0**	△ 1
Exercise of stock options	74	**3,015**	88
Dividends paid	△ 308	**△ 288**	△ 431
Net cash used in financing activities	△ 1,174	**△ 87**	△ 2,281
Ⅳ Effect of exchange rate changes on cash and cash equivalents	△0	**0**	△0
Ⅴ Net increase / (decrease) in cash and cash equivalents	△ 3,377	**121**	△ 4,678
Ⅵ Cash and cash equivalents at beginning of the year	7,650	**2,971**	7,650
Ⅶ Cash and cash equivalents at end of the year	4,272	**3,092**	2,971

[For Reference]

(1) Balance Sheets for the Interim ended September 30, 2007 (Non-consolidated)

(Amount in millions of yen)

	Interim results (As of September 30, 2006)			**Interim results (As of September 30, 2007)**			Previous Fiscal Year (as of March 31, 2007)		
	Amount		%	**Amount**		**%**	Amount		%
Assets:									
I Current assets									
1. Cash and cash equivalents	3,731			**2,339**			2,411		
2. Notes and accounts receivable-trade	75			**73**			44		
3. Inventories	13,745			**17,730**			13,846		
4. Notes and accounts receivable-other	4,010			**4,682**			4,436		
5. Others	737			**1,466**			1,302		
Allowance for doubtful accounts		22,300	60.3		**26,293**	**61.4**		22,041	58.8
Total current assets									
II Fixed assets									
1. Tangible fixed assets									
(1) Buildings	4,050			**4,876**			4,382		
(2) Lands	1,082			**569**			1,077		
(3) Others	713			**1,011**			767		
Total tangible fixed assets	5,846		15.8	**6,458**		**15.0**	6,227		16.6
2. Intangible fixed assets	1,710		4.6	**1,884**		**4.4**	1,821		4.9
3. Investments and other assets									
(1) Investment securities-Affiliates	2,100			**2,200**			2,100		
(2) Long-term lease deposits	4,465			**5,241**			4,733		
(3) Others	558			**776**			566		
Total investments and other assets	7,124		19.3	**8,217**		**19.2**	7,399		19.7
Total fixed assets		14,680	39.7		**16,560**	**38.6**		15,448	41.2
Total assets		36,981	100.0		**42,853**	**100.0**		37,489	100.0
Liabilities:									
I Current liabilities									
1. Note and accounts payable-trade	7,597			**8,811**			6,802		
2. Short-term borrwings	-			**-**			1,000		
3. Current portion of long-term debt	3,800			**3,620**			3,620		
4. Notes and accounts payable-other	2,733			**2,781**			2,108		
5. Income taxes payable	938			**1,846**			1,601		
6. Accrued bonus	579			**841**			639		
7. Other	216			**312**			250		
Total current liabilities		15,865	42.9		**18,213**	**42.5**		16,021	42.7
Ⅱ Long-term liabilities									
1. Long-term borrowings	5,426			**1,806**			3,616		
2. Accrued retirement benefits for directors	141			**150**			148		
3. Long-term guarantee deposits received	74			**79**			80		
Total long-term liabilities		5,642	15.3		**2,036**	**4.8**		3,845	10.3
Total liabilities		21,507	58.2		**20,249**	**47.3**		19,867	53.0
Net Assets:									
I Shareholders' equity									
1. Capital stock		3,030			**3,030**			3,030	
2. Capital surplus									
(1) Capital reserve	4,095			**4,095**			4,095		
(2) Gain difference of disposal of treasury stocks	-			**384**			-		
Total capital surplus		4,095			**4,480**			4,095	
3. Retained earnings									
(1) Retained surplus	31			**31**			31		
(2) Other retained earnings									
Earned surplus carried forward to the following term	18,461			**22,561**			20,595		
Total retained earnings		18,492			**22,592**			20,627	
4. Treasury stock		△ 10,143			**△ 7,487**			△ 10,117	
Total shareholders’ equity		15,475	41.8		**22,615**	**52.7**		17,634	47.0
Ⅱ Valuation and translation differences									
1 Deferred hedge loss		△ 1			**△ 10**			△ 12	
Total valuation and translation differences		△ 1	△0.0		**△ 10**	**△0.0**		△ 12	△0.0
Total net assets		15,473	41.8		**22,604**	**52.7**		17,622	47.0
Total liabilities and net assets		36,981	100.0		**42,853**	**100.0**		37,489	100.0

(2) Statement of Income for the Interim ended September 30, 2007 (Non-consolidated)

	Interim results (As of September 30, 2006)			**Interim results (As of September 30, 2007)**			Previous Fiscal Year (as of March 31, 2007)		
	Amount		%	**Amount**		**%**	Amount		%
Ⅰ Sales		25,689	100.0		**30,434**	**100.0**		58,666	100.0
Ⅱ Cost of sales		11,490	44.7		**14,633**	**48.1**		26,914	45.9
Gross profit		14,198	55.3		**15,801**	**51.9**		31,752	54.1
Ⅲ Operating expenses		11,557	45.0		**14,363**	**47.2**		24,603	41.9
Operating income		2,640	10.3		**1,438**	**4.7**		7,148	12.2
Ⅳ Other income		91	0.4		**134**	**0.4**		197	0.3
Ⅴ Other expenses		92	0.4		**86**	**0.2**		189	0.3
Ordinary income		2,640	10.3		**1,486**	**4.9**		7,156	12.2
Ⅵ Extraordinary income		4	0.0		**2,602**	**8.6**		5	0.0
Ⅶ Extraordinary losses		455	1.8		**234**	**0.8**		1,090	1.9
Net income before taxes		2,189	8.5		**3,854**	**12.7**		6,071	10.3
Income taxes – Current *	885			**1,775**			2,995		
Income taxes – Deferred	34	919	3.6	**△ 176**	**1,599**	**5.3**	△ 464	2,530	4.3
Net income		1,270	4.9		**2,254**	**7.4**		3,540	6.0

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

(3) Non-consolidated Statements of Shareholders' Equity for the Interim ended September 30, 200

The Interim from April 1, 2006 to September 30, 2006

	Shareholders' Equity								
		Capital surplus	Retained earnings						
	Capital stock	Capital reserve	Retained surplus	Other retained earnings, earned surplus carried forward	Total retained earnings	Treasury stocks	Total Shareholders' Equity	Valuation and translation differences, etc.	Total net assets
Balances at March 31, 2006	3,030	4,095	31	17,701	17,732	△ 10,337	14,520	-	14,520
Change in current interim									
Dividend of accumulated profit				△ 309	△ 309		△ 309		△ 309
Directors' Bonus				△ 80	△ 80		△ 80		△ 80
Net profit in current interim				1,270	1,270		1,270		1,270
Purchase of Treasury stocks					△0	△0	△0		△0
Disposal of Treasury stocks				△ 119	△ 119	194	74		74
Change other than shareholders' equity (net amount) in current interim								△ 1	△ 1
Total amount of change in current interim				760	760	193	954	△ 1	953
Balance at September 30, 2006	3,030	4,095	31	18,461	18,492	△ 10,143	15,475	△ 1	15,473

The Interim from April 1, 2007 to September 30, 2007

	Shareholders' Equity								
		Capital surplus	Retained earnings						
	Capital stock	Capital reserve	Retained surplus	Other retained earnings, earned surplus carried forward	Total retained earnings	Treasury stocks	Total Shareholders' Equity	Valuation and translation differences, etc.	Total net assets
Balances at March 31, 2007	3,030	4,095	31	20,595	20,627	△ 10,337	17,634	△ 12	17,622
Change in current interim									
Dividend of accumulated profit				△ 289	△ 289		△ 289		△ 289
Directors' Bonus					2,254				
Net profit in current interim				2,254			2,254		2,254
Purchase of Treasury stocks						△0	△0		△0
Disposal of Treasury stocks		384				2,630	3,015		3,015
Change other than shareholders' equity (net amount) in current interim								1	1
Total amount of change in current interim		384		1,965	1,965	2,630	4,980	1	4,982
Balance at September 30, 2007	3,030	4,480	31	22,561	22,592	△ 7,487	22,615	△ 10	22,604

Previous Fiscal Year (From April 1, 2006 to March 31, 2007)

	Shareholders' Equity								
		Capital surplus	Retained earnings						
	Capital stock	Capital reserve	Retained surplus	Other retained earnings, earned surplus carried forward	Total retained earnings	Treasury stocks	Total Shareholders' Equity	Valuation and translation differences, etc.	Total net assets
Balances at March 31, 2006	3,030	4,095	31	17,701	17,732	△ 10,337	14,520	-	14,520
Change in current interim									
Dividend of accumulated profit				△ 433	△ 433		△ 433		△ 433
Directors' Bonus				△ 80	△ 80		△ 80		△ 80
Net profit in current interim				3,540	3,540		3,540		3,540
Purchase of Treasury stocks						△ 1	△ 1		△ 1
Disposal of Treasury stocks				△ 132	△ 132	220	88		88
Change other than shareholders' equity (net amount) in current interim								△ 12	△ 12
Total amount of change in current interim				2,894	2,894	219	3,113	△ 12	3,101
Balance at March 31, 2007	3,030	4,095	31	20,595	20,627	△ 10,117	17,634	△ 12	17,622

For reference: Sales for the Interim ending September 2007 (Non-consolidated)

The previous interim：interim ended September 30, 2006 (from April 1, 2006 to September 30, 2006 for 6 months)
This interim：interim ended September 30, 2007 (from April 1, 2007 to September 30, 2007 for 6 months)

① Total sales

(In millions of yen, %)

	The previous accounting period (A)	This accounting period (B)	Increase or decrease (B)-(A)	Growth ratio
Total sales	25,689	30,434	4,745	18.5

② Sales by business

(In millions of yen, %)

		The previous accounting period (A)	This accounting period (B)	Increase or decrease (B)-(A)	Growth ratio
	UA	13,995	15,720	1,725	12.3
	GLR	5,059	5,545	486	9.6
	CH	1,490	1,663	172	11.6
	*S.B.U.&UA Labs	2,907	4,388	1,481	50.9
Business Units Total		23,452	27,317	3,865	16.5
*Others		2,237	3,117	879	39.3

*1. S.B.U. =Small Business Unit
*2. "Total business units sales" includes sales of retail, wholesale, mail-order and formal wear rental.
"Other sales" includes sales of outlet stores and special events.

③ Sales by item (Business Units Total)

(In millions of yen, %)

	The previous accounting period (A)	This accounting period (B)	Increase or decrease (B)-(A)	Growth ratio
Men’s	10,289	11,348	1,058	10.3
Women’s	10,143	12,419	2,275	22.4
*Silver & Leather	2,008	2,283	275	13.7
Accessories, etc.	1,009	1,266	256	25.4

* "Silver & Leather" means silver accessories and leather outfits of CHROME HEARTS brand.

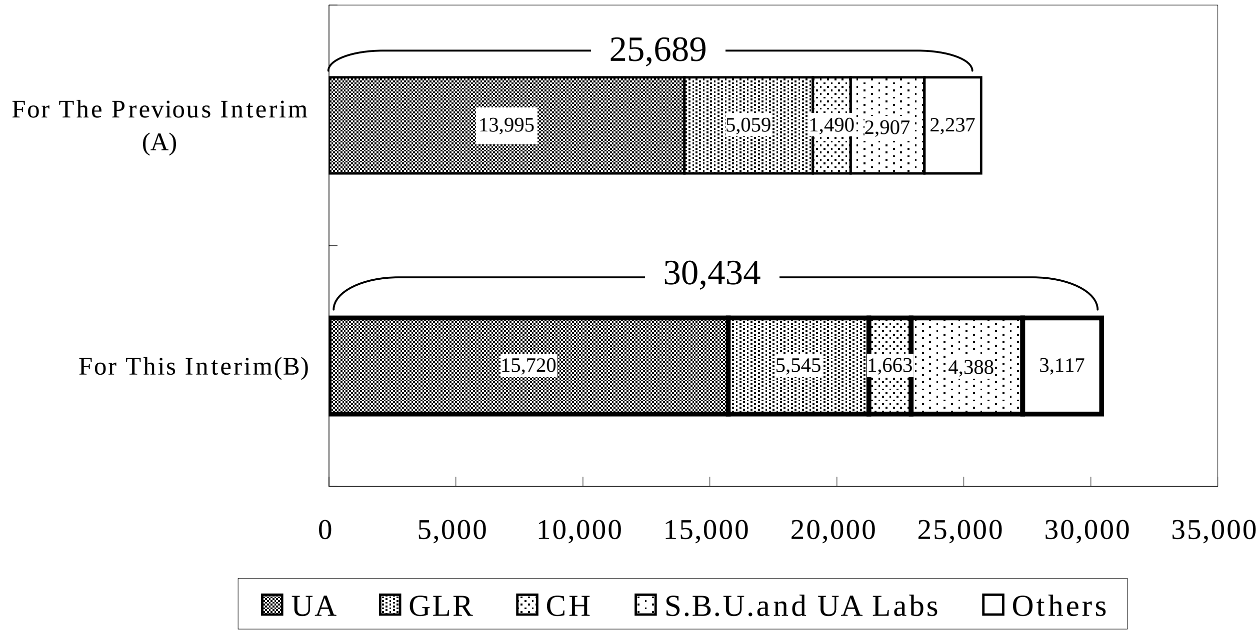
④ Sales of existing stores (retail division, YoY)

(%)

		Sales growth ratio	Number of customer growth ratio	Ave. spending per customer growth ratio
	UA	4.7	0.1	4.6
	GLR	△ 2.5	△ 3.8	1.3
	CH	10.6	△ 4.8	116.2
	S.B.U.&UA Labs	12.1	13.5	△ 1.2
Retail		4.4	0.2	4.2

For Reference: Sales by Business (YoY, Non-consolidated)

(In millions of yen)



For Reference: Sales by Category of Merchandise (Total business units sales)

(In millions of yen)