



UNITED ARROWS LTD.



Fiscal Year Ending March 2008 Interim Earnings Announcement

UNITED ARROWS LTD.



C o n t e n t s

I. Overview of Interim and measures for the second half of the fiscal year

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II. Summary of Interim results and revised forecast

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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;

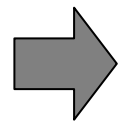
UNITED ARROWS: UA, green label relaxing: GLR, CHROME HEARTS: CH

Small Business Units (S.B.U.); Another Edition: AE, Jewel Changes : JC, Odette é Odile UNITED ARROWS: OEO, DRAWER: DRW,
DARJEELING DAYS: DD, Disney Loved By Nature for UNITED ARROWS: DLN, SOUNDS GOOD: SG

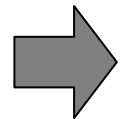
UA Labs;

TOKISHIRAZU: TSZ, Liquor,woman&tears: LWT

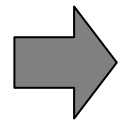
Overview of Interim and measures for the second half of the fiscal year



1. Overview of Interim results



2. Measures to achieve revised forecast

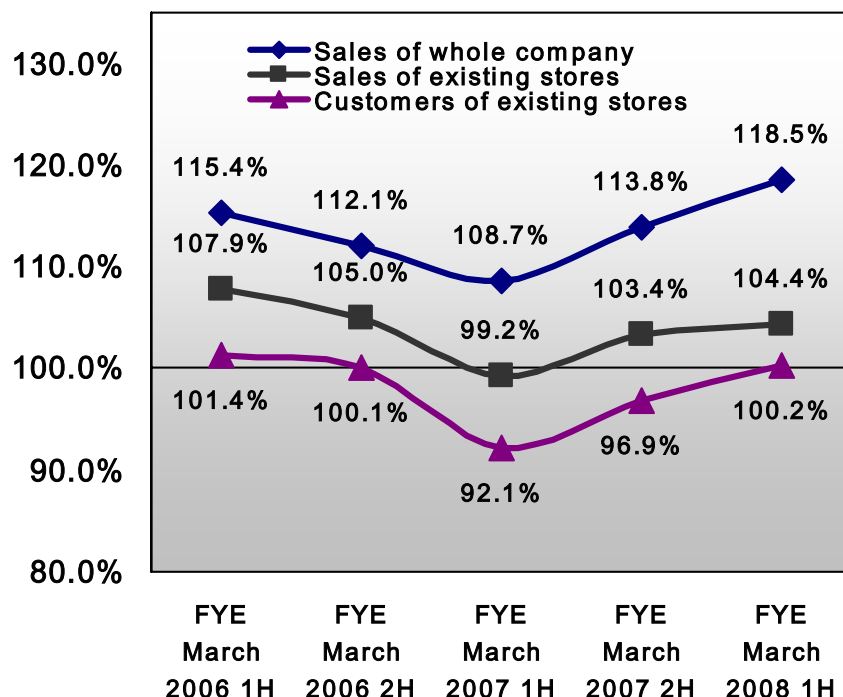


3. Other new measures in the 2H, etc.

1 . Overview of Interim results

- Total sales of the whole company and existing store sales are in a rising trend since the previous term, but we failed to reach initial forecasts announced at the beginning of the term.
 - Gross margin did not reach initial forecasts due to increase of sales composition ratio of 1) accessories (which have lower margin compared to clothes) and 2) markdown items, 3) posting of valuation loss, etc.
 - Efforts were made to reduce cost, but profit did not reach initial forecasts.
- (We had originally projected a decline in profit in the 1H due to active investment in human resources and operating facilities for future growth of the company.)

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



■ Summary of Interim results for FYE March 2008

| | Results (¥Bn) | YoY | vs Plan |
|-------------------------------|------------------|--------|---------|
| Consolidated Total Sales | 31.6 | 118.3% | 96.0% |
| Non-consolidated Total Sales | 30.4 | 118.5% | 95.9% |
| Business Unit Total | 27.3 | 116.5% | 95.9% |
| Outlet | 3.1 | 139.3% | 95.3% |
| Consolidated Gross Profit | 16.4 | 111.2% | 92.9% |
| Consolidated Recurring Profit | 1.5 | 58.1% | 76.9% |
| Consolidated Net Income | 2.2 | 181.2% | 87.6% |

■ Reasons why we failed to reach initial forecasts

| | | |
|------------------|--------------|---|
| Internal reasons | Sales | <ul style="list-style-type: none"> • Sales projections were too high for some new stores • Late recovery of GLR business • High sales expectations of some S.B.U. • Slow progress of MD reform • Delay in enrollment of measures to improve sales service in the whole company |
| | Gross profit | <ul style="list-style-type: none"> • Increase of composition of bargain sales to total sales • Increase of valuation loss and abandonment loss • Increase of sales composition ratio of accessories which have lower margins than clothes |
| | Others | <ul style="list-style-type: none"> • Lack of shop staffs due to concentration of store openings in September |
| External reasons | | <ul style="list-style-type: none"> • Hot climate during the summer and early autumn caused lack of seasonality and demand of consumers became more sensitive to the weather • Negative impact to consumption due to local tax reform, etc. |

Cf: Details and background of revised forecast for 2H

| | |
|--------------|---|
| Sales | <ul style="list-style-type: none"> Revised forecast is conservatively projected considering sales conditions during the 1H and current business conditions. (△¥2.9 billion vs initial plan for 2H) ※Closing of some stores (due to restructuring) will cause a sales decline by ¥270 million. Sales will also be affected by postponement of new store openings (¥280 million). |
| Gross profit | <ul style="list-style-type: none"> Revised forecast is conservatively projected considering possibility of growth in sales composition ratio of accessories and markdown items. Valuation loss and abandonment loss at the term end is expected to increase by ¥250 million. |
| SGA expenses | <ul style="list-style-type: none"> Reduction of SGA expenses will be proceeded in the 2H, but will be in line with initial forecast (announced in May 2007) due to expenses carried forward from the 1H and new expenses that will arise → aim further reduction of expenses and improve efficiency by strict cost control |

2 . Measures to achieve revised forecast

Total Sales

■ Measures to achieve revised sales forecast

- Sales service → Strengthen inculcation of basic sales strategy that was fully revised in November (text book and DVD)
- Sales service → Make adjustments to daily operations to increase more time for sales service (gather requests from stores and apply them)
- Merchandise → Accelerate MD reform and establish platform to enable additional production of fast selling products
- Others → Improve sales by managing inventory at an optimum level in both regular stores and outlet stores

(regular stores → always keep product line-up fresh

outlet stores → reduce inventory by placing slow selling products of the season in the outlet stores without making large markdowns)

■ Other measures

- For high projections of some new stores and some S.B.U.
 - Revise sales projection to realistic figures reflecting the character of each business or store (△¥1.3 Bn for new stores, △¥1.6 Bn for existing stores)
- For late recovery of GLR business
 - Exit all new type stores operated by GLR. Aim early recovery by gathering business resources and human resources to the general stores of GLR.
 - Strengthen staff of GLR head office (transfer staff from back office), strengthen support from the whole company

| | |
|--------------|--|
| Gross Profit | <p>■ Measures to reach gross profit of revised forecast (=inventory control)</p> <ul style="list-style-type: none"> • For increasing sales composition ratio of markdown items <ul style="list-style-type: none"> → Improve gross margin by limiting markdown ratio at bargain sales <p>(Reduce inventory by sending slow selling products of the season in regular stores to outlet stores. They can be sold with smaller markdown if they are sold earlier while they are fresh.)</p> <ul style="list-style-type: none"> • For increasing sales composition ratio of accessories that have lower margin than clothes <ul style="list-style-type: none"> → Early establishment of manufacturing platform that enables additional orders during the season • For increasing valuation loss and abandonment loss <ul style="list-style-type: none"> → Minimize valuation loss and abandonment loss by strictly controlling amount of purchasing and manufacturing |
| Others | <p>■ Measures for other problems</p> <ul style="list-style-type: none"> • Lack of sales staff due to concentration of new store openings in September (lack of sales staff at stores at the end of September; 98 staffs, 95% of plan) <ul style="list-style-type: none"> → Strengthen sales service by hiring new graduates (expecting to join the company from April 2008) as part-time workers. |



3 . Other New Measures in the 2H, etc.

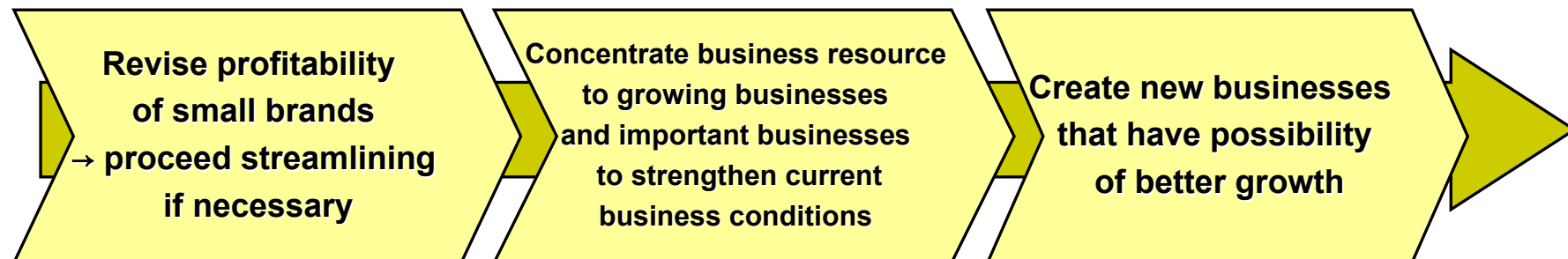
Restructuring of small store brands to concentrate business resource

Strengthen current business conditions, prepare for new project for middle to long-term growth

Restructuring of small store brands to concentrate business resource

- 3 store brands, 9 stores of DARJEELING DAYS, FACADE GREEN green label relaxing and ODONATA green label relaxing will be closed during 2H of this term or 1H of next term. Out of the 2 stores of Disney Loved By Nature for UNITED ARROWS operated by GLR, 1 store is expected to be closed.
- Concentrate business resource of DARJEELING DAYS to UNITED ARROWS business. Expand age of target customers in new UNITED ARROWS.
- For store brands other than DARJEELING DAYS, concentrate business resource to GLR and strengthen GLR general stores.
- Negative impact to net income for this term will be ¥250 million, but will have a positive impact from next term onwards by ¥150 million to ¥200 million annually due to closure of unprofitable stores.

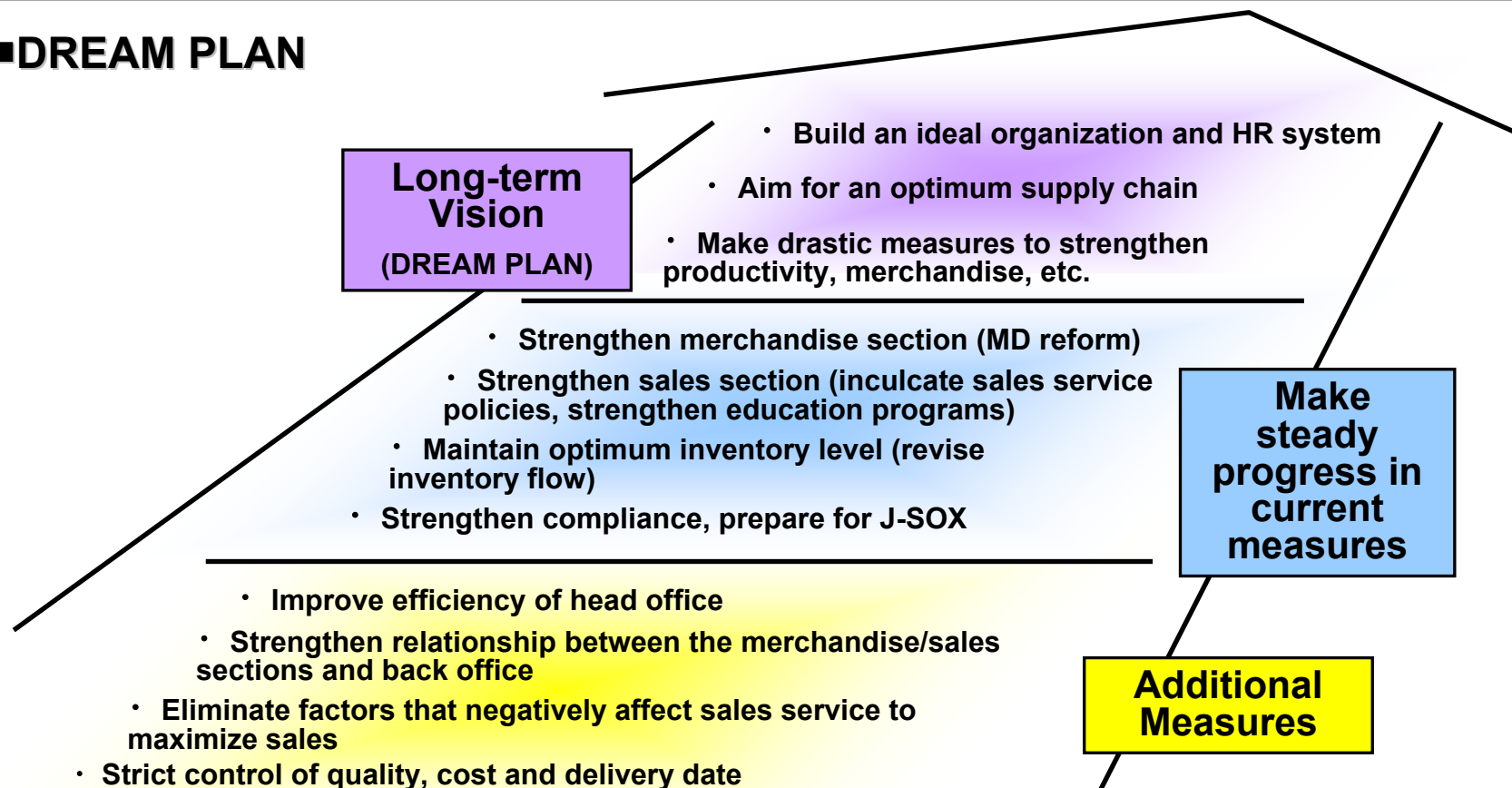
■Streamlining strategies



Strengthen current business conditions, prepare for new projects for middle to long-term growth

- Start new project from 2Q to create long term visions and future strategy scenarios
- Change in current business conditions from the middle of 2Q → Revise forecast for FYE March 2008
- Make steady progress in current measures in the 2H, and add measures to achieve revised forecast.
- Start new project (DREAM PLAN, based on long term visions) from the beginning of FYE March 2009.

■ DREAM PLAN



II. Summary of Interim earnings announcement and revised forecast

1 - ① . P/L Overview (Consolidated)

(¥million)

| | Consolidated Results FYE Mar/08 Interim | | | | | | <cf> | | | |
|-------------------|--|--------|---------|---------|-----------------|-------|------------------------|----------|------------------|----------|
| | Results | | +/- YoY | | vs Forecast +/- | | YoY | | Initial Forecast | |
| | vs Sales | | YoY | | vs Forecast | | Previous 1H results | vs Sales | Forecast | vs Sales |
| Total Sales | 31,659 | 100.0% | 4,905 | 118.3% | ▲ 1,326 | 96.0% | 26,754 | 100.0% | 32,986 | 100.0% |
| Gross Profit | 16,470 | 52.0% | 1,661 | 111.2% | ▲ 1,256 | 92.9% | 14,809 | 55.4% | 17,727 | 53.7% |
| SGA Expenses | 14,945 | 47.2% | 2,840 | 123.5% | ▲ 739 | 95.3% | 12,105 | 45.2% | 15,685 | 47.6% |
| Operating Profit | 1,524 | 4.8% | ▲ 1,178 | 56.4% | ▲ 517 | 74.7% | 2,703 | 10.1% | 2,042 | 6.2% |
| Non Op. P/L | 40 | 0.1% | 50 | - | 48 | 0.0% | ▲ 10 | 0.0% | ▲ 7 | 0.0% |
| Recurring Profit | 1,565 | 4.9% | ▲ 1,127 | 58.1% | ▲ 469 | 76.9% | 2,693 | 10.1% | 2,034 | 6.2% |
| Extraordinary P/L | 2,355 | 7.4% | 2,833 | -492.4% | ▲ 113 | 95.4% | ▲ 478 | -1.8% | 2,469 | 7.5% |
| Net Income | 2,225 | 7.0% | 997 | 181.2% | ▲ 315 | 87.6% | 1,228 | 4.6% | 2,540 | 7.7% |



1 - ② . P/L Overview (Non-consolidated)

(¥million)

| | Non-consolidated Results FYE Mar/08 1H | | | | | | <cf> | | Initial Forecast | |
|-------------------|---|--------|---------|---------|-----------------|-------|------------------------|----------|------------------|----------|
| | Results | | +/- YoY | | vs Forecast +/- | | YoY | | Forecast | |
| | vs Sales | | YoY | | vs Forecast | | Previous 1H results | vs Sales | Forecast | vs Sales |
| Total Sales | 30,434 | 100.0% | 4,745 | 118.5% | ▲ 1,315 | 95.9% | 25,689 | 100.0% | 31,750 | 100.0% |
| Gross Profit | 15,801 | 51.9% | 1,603 | 111.3% | ▲ 1,276 | 92.5% | 14,198 | 55.3% | 17,078 | 53.8% |
| SGA Expenses | 14,363 | 47.2% | 2,805 | 124.3% | ▲ 691 | 95.4% | 11,557 | 45.0% | 15,054 | 47.4% |
| Operating Profit | 1,438 | 4.7% | ▲ 1,201 | 54.5% | ▲ 585 | 71.1% | 2,640 | 10.3% | 2,023 | 6.4% |
| Non Op. P/L | 47 | 0.2% | 48 | - | 55 | - | 0 | 0.0% | ▲ 7 | 0.0% |
| Recurring Profit | 1,486 | 4.9% | ▲ 1,153 | 56.3% | ▲ 529 | 73.7% | 2,640 | 10.3% | 2,016 | 6.3% |
| Extraordinary P/L | 2,367 | 7.8% | 2,818 | -525.6% | ▲ 117 | 95.3% | ▲ 450 | -1.8% | 2,485 | 7.8% |
| Net Income | 2,254 | 7.4% | 984 | 177.5% | ▲ 374 | 85.8% | 1,270 | 4.9% | 2,628 | 8.3% |

※ Summary of Interim P/L

✓ Sales

→ Half of the unachieved sales in 1H were caused by sluggish sales of autumn items in September.

✓ Gross Profit

→ Short of initial forecast due to; 1) increase of sales composition of markdown items as sales of regular priced items in spring, late summer and fall were weak; 2) increase of sales composition ratio of accessories, 3) posting of valuation loss, etc.

✓ SGA Expenses

→ Cost was reduced by total ¥730 million compared to initial forecast;

- UA alone → total reduction compared to forecast was ¥690 million;

- 1) personnel costs by △¥190 million (recruitment of staff were lower than expected),

- 2) advertising cost by △¥100 million, 3) rent commission by △¥110 million, 4) other variable costs and cost of equipment for new stores carried forward, etc.

- Subsidiary FIGO Co., Ltd. → total reduction compared to forecast was ¥40 million; mainly reduction in advertisement cost

✓ Extraordinary Profit and Loss

→ Gain from sale of fixed assets (¥2.5 billion) was posted as extraordinary profit (included in initial forecast)

→ Impairment loss (¥120 million) was posted as extraordinary loss (not included in initial forecast)

2 . Sales Overview (Consolidated/Non-consolidated)

- Non-consolidated sales were 118.5% YoY, 95.9% of initial forecast at ¥30,434 million.
- Business Unit Sales were 116.5% YoY, 95.9% of initial forecast at ¥27,317 million.
- Interim sales of existing stores were 104.4% YoY.

| | FYE March/08 1H | | | | | <cf> | (¥million) |
|-----------------------------|-----------------|---------|--------|-----------------|-------------|-------------|------------------|
| | Results | YoY +/- | | vs Forecast +/- | | Previous 1H | Initial Forecast |
| | | | YoY | | vs Forecast | | |
| Consolidated Total Sales | 31,659 | 4,905 | 118.3% | ▲ 1,326 | 96.0% | 26,754 | 32,986 |
| UA Alone Total Sales | 30,434 | 4,745 | 118.5% | ▲ 1,315 | 95.9% | 25,689 | 31,750 |
| Business Unit Total | 27,317 | 3,865 | 116.5% | ▲ 1,161 | 95.9% | 23,452 | 28,478 |
| UA business | 15,720 | 1,725 | 112.3% | ▲ 362 | 97.7% | 13,995 | 16,082 |
| GLR business | 5,545 | 486 | 109.6% | ▲ 426 | 92.9% | 5,059 | 5,972 |
| CH business | 1,663 | 172 | 111.6% | 131 | 108.6% | 1,490 | 1,532 |
| S.B.U. and UA Labs | 4,388 | 1,481 | 150.9% | ▲ 503 | 89.7% | 2,907 | 4,892 |
| Outlet | 3,117 | 879 | 139.3% | ▲ 154 | 95.3% | 2,237 | 3,271 |
| Existing Stores | | | 104.4% | | | 99.2% | |
| UA existing | | | 104.7% | | | 98.2% | |
| GLR existing | | | 97.5% | | | 98.1% | |
| CH existing | | | 110.6% | | | 97.9% | |
| S.B.U. and UA Labs existing | | | 112.1% | | | 109.9% | |



3 . B/S Overview as of Sep 30, 2007 (Consolidated/Non-consolidated)

| | (¥million) | | | | (¥million) | | | |
|-------------------------|----------------------|---------|--------|---------------------|------------------------------|---------|--------|-------------------------|
| | Consolidated Results | | | <cf> | cf: Non-consolidated Results | | | <cf> |
| | (FYE March/08 1H) | | | Consolidated 1H YoY | (FYE March/08 1H) | | | Non-consolidated 1H YoY |
| | Composition | YoY +/- | | Composition | Composition | YoY +/- | | Composition |
| | Results | YoY | | Results | Results | YoY | | Results |
| | 100.0% | | | 100.0% | 100.0% | | | 100.0% |
| Total Assets | 43,561 | 6,067 | 116.2% | 37,493 | 42,853 | 5,872 | 115.9% | 36,981 |
| Current Assets | 27,887 | 4,356 | 118.5% | 23,530 | 26,293 | 3,992 | 117.9% | 22,300 |
| Fixed Assets | 15,674 | 1,710 | 112.2% | 13,963 | 16,560 | 1,879 | 112.8% | 14,680 |
| Tangible Fixed Assets | 6,609 | 733 | 112.5% | 5,875 | 6,458 | 612 | 110.5% | 5,846 |
| Intangible Fixed Assets | 2,845 | ▲ 141 | 95.3% | 2,987 | 1,884 | 174 | 110.2% | 1,710 |
| Investments, etc | 6,219 | 1,118 | 121.9% | 5,100 | 8,217 | 1,093 | 115.3% | 7,124 |
| Current Liabilities | 18,931 | 2,563 | 115.7% | 16,368 | 18,213 | 2,347 | 114.8% | 15,865 |
| Fixed Liabilities | 2,040 | ▲ 3,611 | 36.1% | 5,651 | 2,036 | ▲ 3,606 | 36.1% | 5,642 |
| Net Assets | 22,589 | 7,114 | 146.0% | 15,474 | 22,604 | 7,130 | 146.1% | 15,473 |

※ Consolidated B/S compared to 1H in the previous term

✓ **Current Assets**

- Decline of cash by ¥1.1 billion to ¥3.2 billion (repayment of borrowings, increase in investment and purchasing, etc.)
- Increase of inventory by ¥4.1 billion to ¥18.1 billion due to expansion of business

✓ **Tangible/Intangible Fixed Assets and Investments, etc.**

- Increase of tangible fixed assets by ¥1.2 billion due to increase of investment in operating facilities
- Land declined by ¥500 million due to sale of land in April 2007
- decline in intangible fixed assets due to amortization of goodwill (△¥300 million)
- guarantee money deposited increased by ¥800 million due to increase of stores

✓ **Current Liabilities and Fixed Liabilities**

- Increase of accounts payable by ¥1.4 billion due to expansion of business
- long and short term debt declined by ¥3.8 billion to ¥5.4 billion

✓ **Net Assets**

- △¥10.1 billion to △¥7.4 billion due to disposal of treasury stocks



2 - ① . Summary of Revised Forecast (Consolidated)

(¥million)

| | Consolidated Revised Forecast (FYE March 2008) | | | | | | <cf> | | | |
|-------------------|---|----------|---------|--------|-------------------------|-------------|---------------------|----------|------------------|----------|
| | Revised Forecast | vs Sales | +/- YoY | | vs Initial Forecast +/- | | YoY | | Initial Forecast | |
| | | | | YoY | | vs Forecast | Previous Results | vs Sales | Forecast | vs Sales |
| Total Sales | 72,514 | 100.0% | 11,554 | 119.0% | ▲ 4,232 | 94.5% | 60,959 | 100.0% | 76,746 | 100.0% |
| Gross Profit | 38,005 | 52.4% | 4,932 | 114.9% | ▲ 3,557 | 91.4% | 33,072 | 54.3% | 41,562 | 54.2% |
| SGA Expenses | 32,772 | 45.2% | 7,050 | 127.4% | ▲ 641 | 98.1% | 25,721 | 42.2% | 33,414 | 43.5% |
| Operating Profit | 5,232 | 7.2% | ▲ 2,117 | 71.2% | ▲ 2,915 | 64.2% | 7,350 | 12.1% | 8,147 | 10.6% |
| Non Op. P/L | 30 | 0.0% | 43 | - | 40 | - | ▲ 13 | 0.0% | ▲ 9 | 0.0% |
| Recurring Profit | 5,263 | 7.3% | ▲ 2,073 | 71.7% | ▲ 2,874 | 64.7% | 7,337 | 12.0% | 8,138 | 10.6% |
| Extraordinary P/L | 2,087 | 2.9% | 3,200 | - | ▲ 264 | 88.8% | ▲ 1,112 | -1.8% | 2,351 | 3.1% |
| Net Income | 4,098 | 5.7% | 586 | 116.7% | ▲ 1,847 | 68.9% | 3,511 | 5.8% | 5,945 | 7.7% |

2 - ② . Summary of Revised Forecast (Non-consolidated)

(¥million)

| | Non-consolidated Revised Forecast (FYE March 2008) | | | | | | <cf> | | | |
|-------------------|---|----------|---------|--------|-------------------------|-------------|---------------------|----------|------------------|----------|
| | | | +/- YoY | | vs Initial Forecast +/- | | YoY | | Initial Forecast | |
| | Revised Forecast | vs Sales | | YoY | | vs Forecast | Previous Results | vs Sales | Forecast | vs Sales |
| Total Sales | 69,859 | 100.0% | 11,192 | 119.1% | ▲ 4,239 | 94.3% | 58,666 | 100.0% | 74,098 | 100.0% |
| Gross Profit | 36,619 | 52.4% | 4,867 | 115.3% | ▲ 3,557 | 91.1% | 31,752 | 54.1% | 40,177 | 54.2% |
| SGA Expenses | 31,457 | 45.0% | 6,854 | 127.9% | ▲ 710 | 97.8% | 24,603 | 41.9% | 32,168 | 43.4% |
| Operating Profit | 5,162 | 7.4% | ▲ 1,986 | 72.2% | ▲ 2,847 | 64.4% | 7,148 | 12.2% | 8,009 | 10.8% |
| Non Op. P/L | 37 | 0.1% | 30 | 508.1% | 47 | - | 7 | 0.0% | ▲ 9 | 0.0% |
| Recurring Profit | 5,200 | 7.4% | ▲ 1,956 | 72.7% | ▲ 2,800 | 65.0% | 7,156 | 12.2% | 8,000 | 10.8% |
| Extraordinary P/L | 2,099 | 3.0% | 3,184 | - | ▲ 267 | 88.7% | ▲ 1,084 | -1.8% | 2,367 | 3.2% |
| Net Income | 4,263 | 6.1% | 722 | 120.4% | ▲ 1,791 | 70.4% | 3,540 | 6.0% | 6,054 | 8.2% |



3 - ③ . Cf: Revised Forecast of 2H (Consolidated/Non-consolidated)

(¥million)

| | Consolidated Revised Forecast (FYE March 2008 2H) | | | | | | <cf> | | YoY | | Initial Forecast | |
|-------------------|--|----------|---------|--------|----------------------|-------------|---------------------|----------|----------|----------|------------------|--|
| | Revised Forecast | vs Sales | +/- YoY | | +/- Initial Forecast | | Previous Results | vs Sales | Forecast | vs Sales | | |
| | | | | YoY | | vs Forecast | | | | | | |
| Total Sales | 40,854 | 100.0% | 6,649 | 119.4% | ▲ 2,906 | 93.4% | 34,204 | 100.0% | 43,760 | 100.0% | | |
| Gross Profit | 21,534 | 52.7% | 3,271 | 117.9% | ▲ 2,300 | 90.3% | 18,262 | 53.4% | 23,834 | 54.5% | | |
| SGA Expenses | 17,826 | 43.6% | 4,210 | 130.9% | 97 | 100.6% | 13,616 | 39.8% | 17,729 | 40.5% | | |
| Operating Profit | 3,707 | 9.1% | ▲ 939 | 79.8% | ▲ 2,397 | 60.7% | 4,646 | 13.6% | 6,105 | 14.0% | | |
| Non Op. P/L | ▲ 10 | 0.0% | ▲ 6 | 318.8% | ▲ 8 | 556.5% | ▲ 3 | 0.0% | ▲ 1 | 0.0% | | |
| Recurring Profit | 3,697 | 9.1% | ▲ 945 | 79.6% | ▲ 2,405 | 60.6% | 4,643 | 13.6% | 6,103 | 13.9% | | |
| Extraordinary P/L | ▲ 267 | -0.7% | 366 | 42.2% | ▲ 150 | 227.4% | ▲ 634 | -1.9% | ▲ 117 | -0.3% | | |
| Net Income | 1,873 | 4.6% | ▲ 410 | 82.0% | ▲ 1,531 | 55.0% | 2,283 | 6.7% | 3,405 | 7.8% | | |

| | cf. Non-consolidated Revised Forecast (FYE March 2008 2H) | | | | | | <cf> | | YoY | | Initial Forecast | |
|-------------------|--|----------|---------|--------|----------------------|-------------|---------------------|----------|----------|----------|------------------|--|
| | Revised Forecast | vs Sales | +/- YoY | | +/- Initial Forecast | | Previous Results | vs Sales | Forecast | vs Sales | | |
| | | | | YoY | | vs Forecast | | | | | | |
| Total Sales | 39,424 | 100.0% | 6,446 | 119.5% | ▲ 2,923 | 93.1% | 32,977 | 100.0% | 42,348 | 100.0% | | |
| Gross Profit | 20,818 | 52.8% | 3,263 | 118.6% | ▲ 2,281 | 90.1% | 17,554 | 53.2% | 23,099 | 54.5% | | |
| SGA Expenses | 17,094 | 43.4% | 4,048 | 131.0% | ▲ 18 | 99.9% | 13,045 | 39.6% | 17,113 | 40.4% | | |
| Operating Profit | 3,723 | 9.4% | ▲ 784 | 82.6% | ▲ 2,262 | 62.2% | 4,508 | 13.7% | 5,985 | 14.1% | | |
| Non Op. P/L | ▲ 9 | 0.0% | ▲ 17 | - | ▲ 8 | 609.4% | 7 | 0.0% | ▲ 1 | 0.0% | | |
| Recurring Profit | 3,713 | 9.4% | ▲ 802 | 82.2% | ▲ 2,270 | 62.1% | 4,516 | 13.7% | 5,983 | 14.1% | | |
| Extraordinary P/L | ▲ 267 | -0.7% | 366 | 42.2% | ▲ 150 | 227.4% | ▲ 634 | -1.9% | ▲ 117 | -0.3% | | |
| Net Income | 2,008 | 5.1% | ▲ 262 | 88.5% | ▲ 1,417 | 58.6% | 2,270 | 6.9% | 3,425 | 8.1% | | |



3 . Details of Sales of Revised Forecast (Consolidated/Non-consolidated)

(¥million)

| | 1H Results | | | 2H Revised Forecast | | | FYE March 2008 (est) | | |
|------------------------------|------------|-------------------------|------------------|---------------------|-------------------------|------------------|----------------------|-------------------------|------------------|
| | Results | YoY vs Initial Forecast | | Revised Forecast | YoY vs Initial Forecast | | Revised Forecast | YoY vs Initial Forecast | |
| | | +/- | +/- | | +/- | +/- | | +/- | +/- |
| Consolidated Total Sales | 31,659 | 118.3% 4,905 | 96.0% ▲ 1,326 | 40,854 | 119.4% 6,649 | 93.4% ▲ 2,906 | 72,514 | 119.0% 11,554 | 94.5% ▲ 4,232 |
| Non-consolidated Total Sales | 30,434 | 118.5% 4,745 | 95.9% ▲ 1,315 | 39,424 | 119.5% 6,446 | 93.1% ▲ 2,923 | 69,859 | 119.1% 11,192 | 94.3% ▲ 4,239 |
| Business Unit Total | 27,317 | 116.5% 3,865 | 95.9% ▲ 1,161 | 35,904 | 118.4% 5,575 | 92.4% ▲ 2,952 | 63,222 | 117.6% 9,441 | 93.9% ▲ 4,114 |
| UA business | 15,720 | 112.3% 1,725 | 97.7% ▲ 362 | 21,006 | 116.2% 2,930 | 97.0% ▲ 659 | 36,727 | 114.5% 4,655 | 97.3% ▲ 1,021 |
| GLR business | 5,545 | 109.6% 486 | 92.9% ▲ 426 | 7,620 | 114.3% 950 | 89.3% ▲ 911 | 13,166 | 112.3% 1,437 | 90.8% ▲ 1,337 |
| CH business | 1,663 | 111.6% 172 | 108.6% 131 | 1,507 | 94.8% ▲ 82 | 100.3% 4 | 3,171 | 102.9% 90 | 104.5% 135 |
| S.B.U. and UA Labs | 4,388 | 150.9% 1,481 | 89.7% ▲ 503 | 5,769 | 144.5% 1,776 | 80.6% ▲ 1,386 | 10,158 | 147.2% 3,257 | 84.3% ▲ 1,890 |
| Outlet | 3,117 | 139.3% 879 | 95.3% ▲ 154 | 3,519 | 132.9% 871 | 100.8% 29 | 6,636 | 135.8% 1,751 | 98.1% ▲ 125 |

※ Sales of existing stores YoY

| | Results | Initial Forecast | Revised Forecast | Initial Forecast | Revised Forecast | Initial Forecast |
|-----------------------------|---------|------------------|------------------|------------------|------------------|------------------|
| Existing stores YoY | 104.4% | 106.2% | 102.4% | 107.4% | 103.3% | 106.9% |
| UA existing | 104.7% | 105.9% | 103.2% | 104.6% | 103.8% | 105.2% |
| GLR existing | 97.5% | 105.8% | 96.0% | 109.3% | 96.7% | 107.8% |
| CH existing | 110.6% | 102.8% | 106.0% | 105.1% | 108.5% | 103.9% |
| S.B.U. and UA Labs existing | 112.1% | 110.9% | 108.1% | 118.7% | 109.8% | 115.5% |

Reference: Details of revised forecast by business unit

Business Unit: Summary of revision of sales in 2H (△¥2.9 billion)

(¥million)

| Business | Total | Existing stores | | New stores | | | Others |
|----------------------|--------------|-----------------|-----------------|--------------|-------------------|-----------------|--------------|
| | | | (restructuring) | Total | (carried forward) | (restructuring) | |
| Total Business Units | 2,900 | 1,600 | 160 | 1,300 | 280 | 10 | + 0 |
| UA business | 600 | 200 | - | 300 | 0.0 | - | 0 |
| GLR business | 900 | 900 | 90 | 100 | + 20 | - | + 100 |
| S.B.U. and UA Labs | 1,300 | 300 | 70 | 800 | 300 | 10 | 100 |

* Others → sales of stores that are not included in new stores or existing stores, such as wholesale, mail order, refurbishment, etc.

* CHROME HEARTS has been omitted as there are only a few changes.

* Sales that will decline due to the store closings caused by restructuring of businesses are rough estimates projected in October.

Estimated figures may change according to changes in store closing schedule.

4. Plans of store openings (closing) / transfer / extension (Non-consolidated)

Interim results

- New stores: 21
 - Close: 1
- (due to area change)
- Total stores at interim end: 124

FYE March 2008 (estimate)

- New stores: 34
 - Close: 13 stores
- Transfer: 1 (TOKISHIRAZU)
- Closing due to UA rebranding: 2
- Closing due to restructuring: 10
- Total stores at term end: 125

※All closing of stores due to restructuring are estimates as of October 2007. There is possibility that closing schedule will largely change.

◆ Number of new stores by retail business

| | | Beginning of term | New stores (est) | | | Close | End of term (est) | Difference between initial forecast | | | | |
|--------------------------|-------------------------------|-------------------|------------------|----|----|-------|-------------------|-------------------------------------|----|----|----|-------------------|
| | | | Full term | 1H | 2H | | | New stores (est) | | | | End of term (est) |
| Total | | 104 | 34 | 21 | 13 | 13 | 125 | -1 | -1 | | 12 | -13 |
| Core | UA Biz. Total | 31 | 9 | 6 | 3 | 2 | 38 | | | | 2 | -2 |
| | Existing UA | 19 | | | | 2 | 17 | | | | 2 | -2 |
| | UA Label Image Store | 5 | 4 | 3 | 1 | | 9 | | | | | |
| | New UA | 4 | 3 | 2 | 1 | | 7 | | | | | |
| | B&Y | 3 | 2 | 1 | 1 | | 5 | | | | | |
| Biz. | GLR Biz. Total | 32 | 9 | 5 | 4 | 5 | 36 | 1 | 3 | -2 | 5 | -4 |
| | GLR | 27 | 9 | 5 | 4 | | 36 | 1 | 3 | -2 | | 1 |
| | GLR New Form | 5 | | | | 5 | | | | | 5 | -5 |
| | CH | 3 | 1 | | 1 | | 4 | | | | | |
| S.B.U. and UA Labs Total | | 38 | 15 | 10 | 5 | 6 | 47 | -2 | -4 | 2 | 5 | -7 |
| S.B.U. and UA Labs | Another Edition | 11 | 2 | 1 | 1 | | 13 | | -1 | 1 | | |
| | Jewel Changes | 3 | 2 | 1 | 1 | | 5 | -1 | -2 | 1 | | -1 |
| | Odette é Odile | 11 | 6 | 4 | 2 | | 17 | | -1 | 1 | | |
| | DRAWER | 4 | | | | | 4 | -1 | -1 | | | -1 |
| | DARJEELING DAYS | 4 | | | | 4 | | | | | 4 | -4 |
| | Disney Loved By Nature for UA | 2 | | | | 1 | 1 | -1 | | -1 | 1 | -2 |
| | SOUNDS GOOD | | 2 | 1 | 1 | | 2 | | | | | |
| | TOKISHIRAZU | 2 | 3 | 3 | | 1 | 4 | 1 | 1 | | | 1 |
| Liquor, woman& tears | | 1 | | | | | 1 | | | | | |

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

* As large extensions and refurbishments are decreasing, the number of refurbished stores have not been stated.



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

◆ Details of store openings, transfer, extensions in the 1H

| Form | Biz | Business unit | Outline | Timing | Store name | Name of facility | Space (m²) | Opening day |
|--------------------|--------------------|---|-------------------|--------|----------------------|---------------------------|---------------------------|----------------------|
| New Store | UA | New UA | new | Apr | MARUNOUCHI | SHIN-MARUNOUCHI BUILDING | total space 536.9 | 27-Apr-07 |
| | | | new | Sep | GINZA | MARRONNIER GATE | total space 780.5 | 1-Sep-07 |
| | | | new | Sep | ROPPONGI MEN'S STORE | ROPPONGI HILLS | total space approx. 429.0 | 7-Sep-07 |
| | | B&Y | new | Aug | SHIBUYA CAT STREET | former Changes UA | total space 379.2 | 17-Aug-07 |
| | | | new | Sep | MACHIDA | LUMINE MACHIDA | total space approx. 429.0 | 10-Sep-07 |
| | | Label Image Store | new | Sep | Cath Kidston Nagoya | Lachic | total space approx. 92.4 | 7-Sep-07 |
| | GLR | GLR General Store | new | Sep | hoshigaoka | Hoshigaoka Terrace | total space 383.5 | 7-Sep-07 |
| | | | new | Sep | ueno | atré Ueno | total space 263.3 | 4-Sep-07 |
| | | | new | Sep | hiroshima | pacela | total space 330.0 | 12-Sep-07 |
| | | | new | Sep | kagoshima | AMU PLAZA KAGOSHIMA | total space approx. 297.0 | 7-Sep-07 |
| | | | new | Sep | nagasaki | AMU PLAZA NAGASAKI | total space approx. 198.0 | 14-Sep-07 |
| | S.B.U. and UA Labs | Another Edition | new | Sep | Shinsaibashi | SHINSAIBASHI OPA KIREIKAN | total space 132.0 | 20-Sep-07 |
| | | Jewel Changes | new | Sep | Nagoya Parco | Nagoya PARCO | total space 118.1 | 14-Sep-07 |
| | | Odette é Odile | new | Apr | marunochi | SHIN-MARUNOUCHI BUILDING | total space 89.8 | 27-Apr-07 |
| | | | new | Apr | nagoya lachic | Lachic | total space 127.7 | 27-Apr-07 |
| | | | new | Sep | machida | LUMINE Machida | total space approx. 85.8 | 10-Sep-07 |
| | | | new | Sep | ginza | MARRONNIER GATE | total space 115.5 | 1-Sep-07 |
| | | SOUNDS GOOD | new | Sep | SHINJUKU | LUMINE SHINJUKU LUMINE II | total space approx. 165.0 | 12-Sep-07 |
| | | TOKISHIRAZU | new | Apr | NAGOYA | Nagoya PARCO | total space 100.7 | 20-Apr-07 |
| | | | new | Jun | HARAJUKU | HARAJUKU'80 BUILDING | total space 74.3 | 28-Jun-07 |
| | | | new(not in plan) | Sep | OSAKA | SHINSAIBASHI OPA KIREIKAN | total space 120.1 | 20-Sep-07 |
| | Outlet | | new | Apr | CHITOSE | RERA | total space 543.8 | 20-Apr-07 |
| Transfer/Extension | UA | Existing UA | extension (annex) | Sep | KYOTO 7th Club | Fujii Daimaru | total space 179.9 | 14-Sep-07 |
| Renewal | | green label relaxing ikspiari (Aug), Another Edition Shinjuku Flags (Aug), Odette é Odile Nagoya PARCO (Aug), DRAWER AOYAMA (Sep), UNITED ARROWS HARAJUKU FOR MEN (Sep) | | | | | | |
| Removal | UA Lab | TOKISHIRAZU | removal | May | SHIBUYA | Roadside store | store space 37.0 | transfer to Harajuku |



◆ Details of Store Openings/Transfer/Extension for 2H (Definite Projects only)

| Form | Biz | Business unit | Outline | Timing | Store name | Name of facility | Space (m ²) | Opening day (*est) |
|------------------------|--------------------------|-------------------|----------------------|-----------|-------------------------|---------------------------|----------------------------------|--------------------|
| New Store | UA | New UA | new | Oct | OMIYA | LUMINE OMIYA | total space 383.8 | 14-Oct-07 |
| | | B&Y | new | Oct | OMIYA | LUMINE OMIYA | total space 408.2 | 14-Oct-07 |
| | GLR | GLR General Store | new | Oct | abeno | Hoop | total space 323.4 | 4-Oct-07 |
| | | | new | Oct | urawa | Urawa PARCO | total space 369.9 | 10-Oct-07 |
| | | | new | Nov | yokohama sotetsu joinus | SOTETSU JOINUS | total space 163.7 | 9-Nov-07 |
| | | | new | Feb | tenjin ims | IMS | total space 293.7 | Feb-08* |
| | CH | CHROME HEARTS | new | Spring | CHROME HEARTS FUKUOKA | DAIMARU Fukuoka Tenjin | total space 56.1 | Spring 2008* |
| | S.B.U. and UA Labs | Another Edition | new | Oct | Yurakucho | Yurakucho area | total space 115.5 | 12-Oct-07 |
| | | Jewel Changes | new | Oct | Ginza | Ginza area | total space 92.4 | 11-Oct-07 |
| | | Odette é Odile | new | Spring | roppongi | ROPPONGI HILLS | total space 135.4 | Spring 2008* |
| | | | new | Oct | kyoto | SHIJO KAW ARAMACHI HANKYU | total space 99.0 | 3-Oct-07 |
| Transfer/ Extension | GLR | GLR General Store | transfer | Oct | machida | MACHIDA TOKYU TWINS | total space 334.2 | 5-Oct-07 |
| | | CH | CHROME HEARTS | extension | Spring | CHROME HEARTS TOKYO | Roadside store (To be announced) | Spring 2008* |
| | | Outlet | transfer & extension | Dec | MINAMI OSAWA | LA FETE TAMA MINAMI OSAWA | total space 462.0 | 14-Dec-07* |
| | | | transfer & extension | Mar | GOTEMBA | Gotemba Premium Outlets | total space 336.6 | Mar-08* |
| | | | extension | Spring | YOKOHAMA | YOKOHAMA BAYSIDE MARINA | total space 508.2 | Spring 2008* |
| Removal | UA | Existing UA | transfer | Mar | SHIBUYA MEIJIDORI | Roadside store | store space 242.5 | Mar-08* |
| | | | transfer | Mar | SHIBUYA KOENDORI | Roadside store | store space 211.8 | Mar-08* |

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

* Some store openings may be postponed to the beginning of next term.