



UNITED ARROWS LTD.

Fiscal Year Ended March 2009 Earnings Announcement

UNITED ARROWS LTD.



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

[Cautionary statement]

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

[Indication of business in this material]

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

Main business;

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

Small Business Units (SBU);

Another Edition: AE, Jewel Changes : JC, Odette é Odile UNITED ARROWS: OEO, DRAWER: DRW,

SOUNDS GOOD: SG (cf: SG will close during the first half of FYE March 2010), Cath Kidston: CK

UA Labs;

TOKISHIRAZU: TSZ, Liquor,woman&tears: LWT (cf: LWT will merge with UA business from FYE March 2010)



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

1. P/L Overview (Consolidated)

- Net Sales: 96.0% of forecast, 110.3% YoY
- Gross margin was short of forecast but was covered by cut in SGA expenses
- As a result, ordinary profit was 100.7% of forecast
- Impairment loss of ¥1,020 million was posted during the fiscal year, and net income was 69.9% of forecast at ¥1,274 million

(¥million)

| | Consolidated Results FYE March 2009 | | | | | | <cf> | | | |
|-------------------|----------------------------------------|--------|---------|--------|-----------------|--------|---------------------|----------|----------|----------|
| | Results vs Sales | | +/- YoY | | vs Forecast +/- | | YoY | | Forecast | |
| | | | YoY | | vs Forecast | | Previous results | vs Sales | Forecast | vs Sales |
| Net Sales | 79,665 | 100.0% | 7,443 | 110.3% | (3,362) | 96.0% | 72,221 | 100.0% | 83,028 | 100.0% |
| Gross Profit | 40,647 | 51.0% | 3,755 | 110.2% | (2,062) | 95.2% | 36,891 | 51.1% | 42,709 | 51.4% |
| SGA Expenses | 36,327 | 45.6% | 4,366 | 113.7% | (2,130) | 94.5% | 31,960 | 44.3% | 38,457 | 46.3% |
| Operating Profit | 4,319 | 5.4% | (610) | 87.6% | 67 | 101.6% | 4,930 | 6.8% | 4,251 | 5.1% |
| Non Op. P/L | (36) | 0.0% | (123) | - | (39) | - | 86 | 0.1% | 3 | 0.0% |
| Ordinary Profit | 4,283 | 5.4% | (734) | 85.4% | 28 | 100.7% | 5,017 | 6.9% | 4,254 | 5.1% |
| Extraordinary P/L | (1,224) | -1.5% | (3,023) | - | (972) | - | 1,798 | 2.5% | (251) | -0.3% |
| Net Income | 1,274 | 1.6% | (2,525) | 33.5% | (548) | 69.9% | 3,800 | 5.2% | 1,822 | 2.2% |

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

- Net Sales: 96.4% of forecast, 110.1% YoY
- Operating profit and ordinary profit increased by 102.1% and 100.6% YoY, respectively

(¥million)

| | Non-consolidated Results | | | | | | <cf> | | (4 million) | |
|-------------------|--------------------------|--------|---------|--------|-----------------|--------|----------|----------|-------------|--------|
| | FYE March 2009 | | | | | | YoY | | Forecast | |
| | Results | | +/- YoY | | vs Forecast +/- | | Previous | | Forecast | |
| | vs Sales | | YoY | | vs Forecast | | results | vs Sales | vs Sales | |
| Net Sales | 76,582 | 100.0% | 7,021 | 110.1% | (2,836) | 96.4% | 69,560 | 100.0% | 79,419 | 100.0% |
| Gross Profit | 38,965 | 50.9% | 3,542 | 110.0% | (1,826) | 95.5% | 35,423 | 50.9% | 40,792 | 51.4% |
| SGA Expenses | 34,127 | 44.6% | 3,440 | 111.2% | (1,831) | 94.9% | 30,686 | 44.1% | 35,958 | 45.3% |
| Operating Profit | 4,838 | 6.3% | 101 | 102.1% | 4 | 100.1% | 4,737 | 6.8% | 4,833 | 6.1% |
| Non Op. P/L | 27 | 0.0% | (73) | 27.4% | (38) | 42.4% | 101 | 0.1% | 66 | 0.1% |
| Ordinary Profit | 4,866 | 6.4% | 27 | 100.6% | (33) | 99.3% | 4,839 | 7.0% | 4,900 | 6.2% |
| Extraordinary P/L | (1,219) | -1.6% | (3,035) | - | (968) | - | 1,816 | 2.6% | (251) | -0.3% |
| Net Income | 2,074 | 2.7% | (1,800) | 53.5% | (640) | 76.4% | 3,875 | 5.6% | 2,714 | 3.4% |



2. Sales Overview (Consolidated/Non-consolidated)

- Non-consolidated net sales: 96.4% of forecast, 110.1% YoY
- Business Unit Total was 95.1% of forecast as sales of expensive men's items such as business suits were sluggish
- Same store sales for FYE March 2009 was 94.7% YoY

| | FYE March 2009 | | | | | | (¥million) |
|----------------------------|----------------|---------|--------|-----------------|-------------|--------------------------|------------|
| | Results | YoY +/- | | vs Forecast +/- | | <cf> Previous Results | Forecast |
| | | | YoY | | vs Forecast | | |
| Consolidated Net Sales | 79,665 | 7,443 | 110.3% | (3,362) | 96.0% | 72,221 | 83,028 |
| Non-consolidated Net Sales | 76,582 | 7,021 | 110.1% | (2,836) | 96.4% | 69,560 | 79,419 |
| Business Unit Total | 66,588 | 4,414 | 107.1% | (3,400) | 95.1% | 62,173 | 69,988 |
| UA business | 36,544 | 1,426 | 104.1% | (1,575) | 95.9% | 35,118 | 38,119 |
| GLR business | 14,422 | 1,158 | 108.7% | (426) | 97.1% | 13,264 | 14,849 |
| CH business | 3,818 | 507 | 115.3% | (467) | 89.1% | 3,310 | 4,285 |
| SBUs and UA Labs | 11,803 | 1,322 | 112.6% | (931) | 92.7% | 10,480 | 12,734 |
| Outlet | 9,993 | 2,606 | 135.3% | 563 | 106.0% | 7,387 | 9,430 |
| Same Store Sales | 94.7% | | | | | 101.1% | 100.0% |
| UA | 93.3% | | | | | 99.3% | 98.0% |
| GLR | 99.2% | | | | | 96.8% | 103.6% |
| CH | 90.8% | | | | | 112.7% | 98.9% |
| SBUs and UA Labs | 94.3% | | | | | 111.8% | 102.6% |

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

Total consolidated assets were ¥46,821 million (108.0% YoY), total non-consolidated assets were ¥ 45,901 million (107.4% YoY)

[Consolidated B/S: Major reasons of increase/decrease compared to end of last term]

- Current assets: increase in inventory due to expansion of business (¥1.6 Bn), increase in cash and cash equivalents by (¥0.3 Bn), etc.
- Noncurrent assets: increase in tangible fixed assets (¥1.0 Bn) and increase in long-term guarantee deposited (¥0.4 Bn), etc. due to increase in operating facilities
- Current liabilities: increase in short-term borrowing (¥0.9 Bn), decrease in income taxes payable (¥1.5 Bn)
- Noncurrent liabilities: increase in long-term borrowings (¥3.5 million)

* Term end balance of bank borrowings: ¥11.8 Bn (+ ¥4.4 Bn YoY)

| | Consolidated Results | | | <cf> | cf: Non-consolidated Results | | | <cf> |
|------------------------|----------------------|---------|--------------|------------------|------------------------------|---------|---------------|----------------------|
| | (FYE March 2009) | | | Consolidated YoY | (FYE March 2009) | | | Non-consolidated YoY |
| | Composition | YoY +/- | | Composition | Composition | YoY +/- | | Composition |
| | Results | YoY | | Results | Results | YoY | | Results |
| Total Assets | 100.0% | 46,821 | 3,458 108.0% | 100.0% | 100.0% | 45,901 | 3,167 107.4% | 100.0% |
| Current Assets | 62.9% | 29,460 | 2,176 108.0% | 62.9% | 60.7% | 27,868 | 2,230 108.7% | 60.0% |
| Noncurrent Assets | 37.1% | 17,360 | 1,282 108.0% | 37.1% | 39.3% | 18,032 | 937 105.5% | 40.0% |
| Current Liabilities | 42.4% | 19,854 | (285) 98.6% | 46.4% | 39.4% | 18,077 | (1,376) 92.9% | 45.5% |
| Noncurrent Liabilities | 8.5% | 3,962 | 3,451 776.0% | 1.2% | 8.6% | 3,958 | 3,451 781.5% | 1.2% |
| Net Assets | 49.1% | 23,004 | 292 101.3% | 52.4% | 52.0% | 23,865 | 1,092 104.8% | 53.3% |

4. C/F Overview (Consolidated)

- C/F from operating activities (subtotal): ¥1.2 Bn improvement due to inventory control
- C/F from investment activities: increase in outflows (¥3.4 Bn) due to decrease in inflows from sale of fixed assets (¥3.0 Bn) and increase in tangible fixed assets, etc.
- C/F from investment activities: increase in inflows (¥2.9 Bn) due to increase in borrowings, etc.

| | Consolidated results (FYE March 2009) | | (million yen) <cf> Previous term |
|--------------------------------------------------|------------------------------------------|---------|----------------------------------------|
| | Results | +/- YoY | Results |
| | | | |
| Cash flow s from operating activities (Subtotal) | 5,044 | 1,231 | 3,812 |
| Cash flow s from operating activities (Total) | 1,286 | 829 | 456 |
| Cash flow s from investment activities | (4,373) | (3,427) | (946) |
| Cash flow s from financing activities | 3,434 | 2,940 | 493 |
| Increase/decrease in cash and cash equivalents | 347 | 343 | 4 |
| Cash and cash equivalents at beginning of term | 2,975 | 4 | 2,971 |
| Cash and cash equivalents at end of term | 3,322 | 347 | 2,975 |

5. Overview of Forecasts for FYE March 2010 (Consolidated/Non-consolidated)

• Increase sales and profit, both on consolidated and non-consolidated basis

- Consolidated net sales: ¥82,644 million, 103.7% YoY
- Consolidated gross profit: ¥42,207 million, 103.8% YoY (improvement in gross margin by 0.1 point)
- Ordinary profit: ¥4,300 million, 100.4% YoY
- Net income: ¥1,943 million, 152.5% YoY
- Non-consolidated: net sales 100.4% YoY, ordinary profit 100.7% YoY, net income 122.0% YoY

(¥million)

| | Consolidated Forecast FYE March 2010 | | | | <cf> YoY | | cf: Non-consolidated Forecast FYE March 2010 | | | | <cf> YoY | |
|-------------------|-----------------------------------------|----------|---------|--------|------------------|----------|-------------------------------------------------|----------|---------|--------|------------------|----------|
| | Forecast | vs Sales | +/- YoY | YoY | Previous Results | vs Sales | Forecast | vs Sales | +/- YoY | YoY | Previous Results | vs Sales |
| Net Sales | 82,644 | 100.0% | 2,979 | 103.7% | 79,665 | 100.0% | 76,906 | 100.0% | 324 | 100.4% | 76,582 | 100.0% |
| Gross Profit | 42,207 | 51.1% | 1,560 | 103.8% | 40,647 | 51.0% | 39,371 | 51.2% | 405 | 101.0% | 38,965 | 50.9% |
| SGA Expenses | 37,728 | 45.7% | 1,400 | 103.9% | 36,327 | 45.6% | 34,380 | 44.7% | 253 | 100.7% | 34,127 | 44.6% |
| Operating Profit | 4,478 | 5.4% | 159 | 103.7% | 4,319 | 5.4% | 4,990 | 6.5% | 152 | 103.1% | 4,838 | 6.3% |
| Non Op. P/L | (178) | -0.2% | (142) | - | (36) | 0.0% | (90) | -0.1% | (118) | - | 27 | 0.0% |
| Ordinary Profit | 4,300 | 5.2% | 16 | 100.4% | 4,283 | 5.4% | 4,900 | 6.4% | 33 | 100.7% | 4,866 | 6.4% |
| Extraordinary P/L | (476) | -0.6% | 747 | - | (1,224) | -1.5% | (461) | -0.6% | 758 | - | (1,219) | -1.6% |
| Net Income | 1,943 | 2.4% | 668 | 152.5% | 1,274 | 1.6% | 2,529 | 3.3% | 455 | 122.0% | 2,074 | 2.7% |

6. Forecast for FYE March 2010 in 1H & 2H (Consolidated)

- Increase in profit in 1H, decrease in profit in 2H

1H: Cost for store openings will decrease compared to previous 1H

2H: Other COGS and advertisement costs will be mainly posted in 2H

(¥million)

| | Consolidated Forecast (FYE March 2010 1H) | | | Consolidated Forecast (FYE March 2010 2H) | | |
|--------------------------|----------------------------------------------|-----------------|------------------------------|----------------------------------------------|-----------------|------------------------------|
| | vs Sales Forecast | YoY +/- YoY | vs Sales Previous Results | vs Sales Forecast | YoY +/- YoY | vs Sales Previous Results |
| Net Sales | 100.0% 38,471 | 104.9% 1,802 | 100.0% 36,669 | 100.0% 44,173 | 102.7% 1,177 | 100.0% 42,995 |
| Gross Profit | 51.2% 19,702 | 105.5% 1,030 | 50.9% 18,672 | 50.9% 22,504 | 102.4% 530 | 51.1% 21,974 |
| SGA Expenses | 48.2% 18,532 | 104.0% 714 | 48.6% 17,818 | 43.5% 19,195 | 103.7% 686 | 43.0% 18,509 |
| Operating Profit | 3.0% 1,170 | 136.9% 315 | 2.3% 854 | 7.5% 3,308 | 95.5% (156) | 8.1% 3,465 |
| Non Op. P/L | -0.2% (90) | - (99) | 0.0% 8 | -0.2% (88) | - (42) | -0.1% (45) |
| Ordinary Profit | 2.8% 1,079 | 125.0% 215 | 2.4% 863 | 7.3% 3,220 | 94.2% (199) | 8.0% 3,420 |
| Extraordinary P/L | -0.3% (120) | - 99 | -0.6% (219) | -0.8% (356) | - 648 | -2.3% (1,004) |
| Net Income | 0.9% 359 | 216.7% 193 | 0.5% 165 | 3.6% 1,583 | 142.9% 475 | 2.6% 1,108 |

For reference: Forecast for FYE March 2010 in 1H & 2H (Non-consolidated)

(¥million)

| | Non-consolidated Forecast (FYE March 2010 1H) | | | Non-consolidated Forecast (FYE March 2010 2H) | | |
|--------------------------|--------------------------------------------------|----------------|------------------------------|--------------------------------------------------|----------------|------------------------------|
| | vs Sales Forecast | YoY +/- YoY | vs Sales Previous Results | vs Sales Forecast | YoY +/- YoY | vs Sales Previous Results |
| Net Sales | 100.0% 35,895 | 101.4% 503 | 100.0% 35,391 | 100.0% 41,011 | 99.6% (179) | 100.0% 41,190 |
| Gross Profit | 51.5% 18,490 | 102.9% 521 | 50.8% 17,968 | 50.9% 20,880 | 99.4% (116) | 51.0% 20,997 |
| SGA Expenses | 47.1% 16,910 | 99.7% (52) | 47.9% 16,963 | 42.6% 17,470 | 101.8% 305 | 41.7% 17,164 |
| Operating Profit | 4.4% 1,580 | 157.1% 574 | 2.8% 1,005 | 8.3% 3,410 | 89.0% (422) | 9.3% 3,833 |
| Non Op. P/L | -0.1% (45) | - (87) | 0.1% 41 | -0.1% (44) | - (30) | 0.0% (13) |
| Ordinary Profit | 4.3% 1,534 | 146.5% 486 | 3.0% 1,047 | 8.2% 3,365 | 88.1% (453) | 9.3% 3,819 |
| Extraordinary P/L | -0.3% (120) | - 99 | -0.6% (220) | -0.8% (341) | - 658 | -2.4% (999) |
| Net Income | 2.2% 777 | 173.5% 329 | 1.3% 447 | 4.3% 1,752 | 107.7% 125 | 3.9% 1,626 |

7. Details of Sales Forecast of FYE March 2010 (Consolidated/Non-consolidated)

- Total sales of business units within UA LTD.: ¥ 66,284 million, 99.5% YoY
- Same store sales: 97.8% YoY (see appendix for details of same store sales for 1H & 2H)

| | FYE March 2010 | | | (¥million) |
|----------------------------|----------------|---------|--------|--------------------------|
| | Forecast | +/- YoY | | <cf> Previous Results |
| | | YoY | | |
| Consolidated Net Sales | 82,644 | 2,979 | 103.7% | 79,665 |
| Non-consolidated Net Sales | 76,906 | 324 | 100.4% | 76,582 |
| Business Unit Total | 66,284 | (303) | 99.5% | 66,588 |
| UA business | 35,655 | (1,146) | 96.9% | 36,802 |
| GLR business | 14,758 | 335 | 102.3% | 14,422 |
| CH business | 3,873 | 55 | 101.4% | 3,818 |
| SBU's and UA Labs | 11,996 | 452 | 103.9% | 11,544 |
| Outlet | 10,621 | 627 | 106.3% | 9,993 |
| Same Store Sales | 97.8% | | | 94.7% |
| UA | 95.9% | | | - |
| GLR | 101.0% | | | 99.2% |
| CH | 101.1% | | | 90.8% |
| SBU's and UA Labs | 98.5% | | | - |

*Sales of Liquor, woman&tears and personal styling department are included in UA business from FYE March 2010 (previously included in SBU's and UA Labs). Sales of FYE March 2009 are retroactively calculated.

8. Plans of store openings / closings

Forecast for FYE March 2010 (Non-consolidated)

| | |
|---------------------------|-----|
| ・New stores | 9 |
| ・Close | 5 |
| ・Total stores at term end | 142 |

Store openings for 1H: 5, 2H 4

Store openings by season

S/S 2009: 4, F/W 2009: 4, S/S 2010: 1

cf: Subsidiaries (est)

| | |
|---------------|------------------|
| ・FIGO | 0 (term end 11) |
| ・COEN | 11 (term end 27) |
| ・PERENNIAL UA | 2 (term end 4) |

(PERENNIAL UA had 1 store that was opened for a limited time)

*1 Changed from annex store to independent store

* Liquor,woman&tears is a UA Label Image Store from FYE March 2010

* UA Label Image Stores: THE SOVEREIGN HOUSE (1 store), District UNITED ARROWS (1 store) and Liquor,woman&tears (1 store)

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

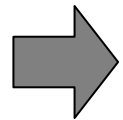
| | | | Beg. of term | New stores (est) | | Close | End of term (est) | |
|----------------------|--------------|----------------------|-----------------|------------------|------|-------|----------------------|-----|
| | | | Full term | 1H | 2H | | | |
| 合計 | | | 138 | 9 | 5 | 4 | 5 | 142 |
| Main | UA Biz Total | | 45 | 3 | 2 | 1 | 1 | 47 |
| | UA | Existing UA | 14 | | | | | 14 |
| | | New UA | 13 | | | | 1 | 12 |
| | | B&Y | 15 | 3 | *1 2 | 1 | | 18 |
| | | UA Label Image Store | 3 | | | | | 3 |
| Biz | GLR | | 37 | 1 | | 1 | 1 | 37 |
| | CH | | 5 | | | | | 5 |
| SBU and UA Lab | | | 51 | 5 | 3 | 2 | 3 | 53 |
| SBU and UA Lab | SBU | Another Edition | 14 | 1 | 1 | | 1 | 14 |
| | | Jewel Changes | 6 | 1 | 1 | | | 7 |
| | | Odette é Odile | 18 | | | | 1 | 17 |
| | | DRAWER | 5 | 1 | | 1 | | 6 |
| | | SOUNDS GOOD | 1 | | | | 1 | |
| | | Cath Kidston | 3 | 2 | 1 | 1 | | 5 |
| | UA Lab | TOKISHIRAZU | 4 | | | | | 4 |
| Outlet Stores | | | 15 | | | | | 15 |

For reference: Details of Store Openings/Transfer/Removal (Definite Projects only)**Details of Store Openings/Transfer/Extension for FYE March 2010 (Definite Projects only)**

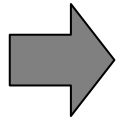
| Form | Biz | Business unit | Outline | Timing | Store name | Name of facility | Approx. total space (m ²) | Opening day (est*) |
|----------------------|------------------|-----------------|----------------------|--------|------------------|-------------------|---------------------------------------|--------------------|
| New | SBUs and UA Labs | Jewel Changes | New | May | Shibuya | Roadside | 217.8 | 5/20/2009* |
| | | Another Edition | New | Sep | Tachikawa | LUMINE TACHIKAWA | 115.5 | Sep 2009* |
| | | Cath Kidston | New | Sep | N/A | Within Tokyo area | 92.4 | Sep 2009* |
| Extension | UA | UA | Extension | Apr | SENDAI | SAKURANO SENDAI | 699.6 | 4/24/2009 |
| Transfer / Extension | GLR | GLR | Transfer / Extension | Apr | amu plaza kokura | AMU PLAZA KOKURA | 396.0 | 4/11/2009 |
| Close | SBUs and UA Labs | SOUNDS GOOD | Close | Jul | Shinjuku | LUMINE SHIJUKU | 161.7 | 7/26/2009* |

* Sales space is approx. 80% to 85% of total space.

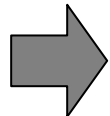
II. Additional Information on Results and Forecasts



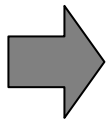
1. Trend of Inventory Assets (Non-consolidated)



2. Trend of Gross Margin (Non-consolidated)



3. Trend of SGA expenses (Non-consolidated)



4. Results and Forecasts for Consolidated Subsidiaries

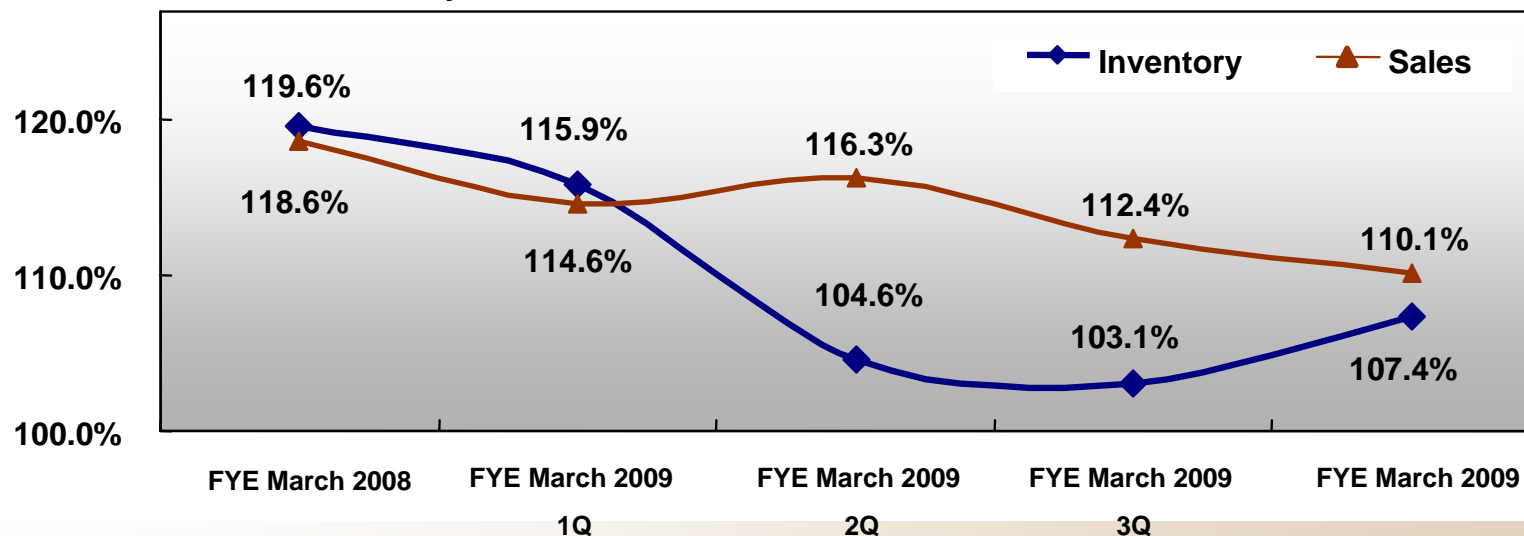
1. Trend of Inventory Assets (Non-consolidated)

- Inventory at end of FYE March 2009 was ¥17,792 million (107.4% YoY) in line with forecast
- Marginal increase compared to end of 2Q and 3Q strategically raised inventory of spring items in 4Q
- Forecast of inventory level at end of FYE March 2010 is the same level as end of FYE March 2009

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

| | FYE March 2008 | FYE March 2009 1Q | FYE March 2009 2Q | FYE March 2009 3Q | FYE March 2009 |
|-----------------------|----------------|-------------------|-------------------|-------------------|----------------|
| Inventory at term end | 16,563 | 16,913 | 18,546 | 18,809 | 17,792 |
| +/- YoY | 119.6% | 115.9% | 104.6% | 103.1% | 107.4% |
| cf. Sales +/- YoY | 118.6% | 114.6% | 116.3% | 112.4% | 110.1% |

Historical Inventory and Sales YoY



2. Trend of Gross Margin (Non-consolidated)

- Gross margin of total company for FYE March 2009 was short of forecast by 0.5 points, same as previous term at 50.9%
- Gross margin of business units total during 4Q of FYE March 2009 was higher than the previous 4Q, which was the first time in the past 9 quarters
- For FYE March 2010, we expect to raise gross margin by 0.3 points to 51.2% by improving gross margin of business units total and outlet stores. (cf. We are looking at gross margin of other COGS, such as valuation loss, conservatively.)

Change of Gross Margin

| | FYE March 2009 | | | cf. FYE March 2009 4Q | | FYE March 2010 | |
|-------------------------|----------------|----------------|---------|-----------------------|-------------|----------------|---------|
| | Results | vs Forecast | YoY +/- | Results | YoY +/- | Forecast | YoY +/- |
| Total Company | 50.9% | -0.5% | 0.0% | 44.9% | 1.1% | 51.2% | 0.3% |
| Business Units Total | 56.6% | -0.8% | -0.4% | 52.7% | 0.3% | 57.4% | 0.8% |
| Outlet | 22.0% | 4.2% | 4.6% | 13.9% | 2.7% | 24.1% | 2.1% |
| Other COGS (Mn yen) | 912 | (128) | (361) | 570 | (189) | 1,244 | 332 |

Business Units Total includes sales of retail, w wholesale, on-line and formal wear rental, etc.

Other COGS include product valuation loss, abolition loss, etc.

3. Trend of SGA Expenses (Non-consolidated)

- Main reasons of difference between results and forecast of FYE March 2009

Advertisements: reduction due to cost control

Personnel: suspend recruitment of experienced workers, reduce overtime work

Others: decrease in variable costs due to sales shortage, other general cost reductions

- Main reasons of difference between forecast of FYE March 2010 and results of FYE March 2009

Advertisements: decrease due to fewer store openings

Personnel: increase due to recruitment of graduates and regular salary raise

Others: decrease in cost of store openings, cut in other costs (R&D expenses, business trips, etc.)

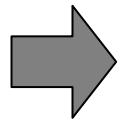
Details of SGA expenses (Results and forecast of FYE Mar 2009, Forecast of FYE Mar 2010) (million yen)

| | FYE Mar 2009 | | FYE Mar 2009 | | vs Forecast | | FYE Mar 2010 | | vs FYE Mar 2009 | |
|----------------|--------------|----------|--------------|----------|----------------|-------|--------------|----------|--------------------|--------|
| | Results | vs Sales | Forecast | vs Sales | | | Forecast | vs Sales | | |
| Total SGA exp. | 34,127 | 44.6% | 35,958 | 45.3% | (1,831) | 94.9% | 34,380 | 44.7% | 253 | 100.7% |
| Advertisement | 1,184 | 1.5% | 1,394 | 1.8% | (210) | 84.9% | 1,098 | 1.4% | (85) | 92.8% |
| Personnel | 12,172 | 15.9% | 12,797 | 16.1% | (625) | 95.1% | 12,619 | 16.4% | 446 | 103.7% |
| Rent | 9,505 | 12.4% | 9,662 | 12.2% | (156) | 98.4% | 9,622 | 12.5% | 116 | 101.2% |
| Depreciation | 1,187 | 1.6% | 1,264 | 1.6% | (76) | 93.9% | 1,143 | 1.5% | (44) | 96.3% |
| Others | 10,077 | 13.2% | 10,839 | 13.6% | (762) | 93.0% | 9,897 | 12.9% | (180) | 98.2% |

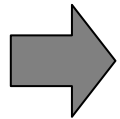
4. Results and Forecasts for Consolidated Subsidiaries

| Store photos | <p>(Roppongi Hills)</p> | <p>(Takaoka)</p> | <p>(Aoyama)</p> |
|---------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Number of stores | New stores in FYE Mar 2009 ... 1 End of FYE Mar 2009 ... 12 End of FYE Mar 2010 (est) ... 11 | New stores in FYE Mar 2009 ... 16 End of FYE Mar 2009 ... 16 End of FYE Mar 2010 (est) ... 27 | New stores in FYE Mar 2009 ... 2 End of FYE Mar 2009 ... 2 End of FYE Mar 2010 (est) ... 4 |
| Business results for FYE March 2009 | Sales were slightly short of forecasts, but profit was higher than forecasts due to cost reduction | (2 subs in total) Sales was short of forecasts by approx. 30%, but cost was reduced due to fewer store openings. As a result, ordinary loss was in line with forecast. | |
| Business forecasts for FYE March 2010 | Conservative view towards wholesale to department stores. Profit is expected to decline. | (2 subs in total) Conservative sales forecast, but amount of ordinary loss is expected to improve | |

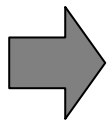
III. Summary of FYE March 2009 and Future Policies, etc.



1. Summary of FYE March 2009



2. Policies for FYE March 2010



3. Mid-term Strategies

1- Summary of FYE March 2009 (Results)

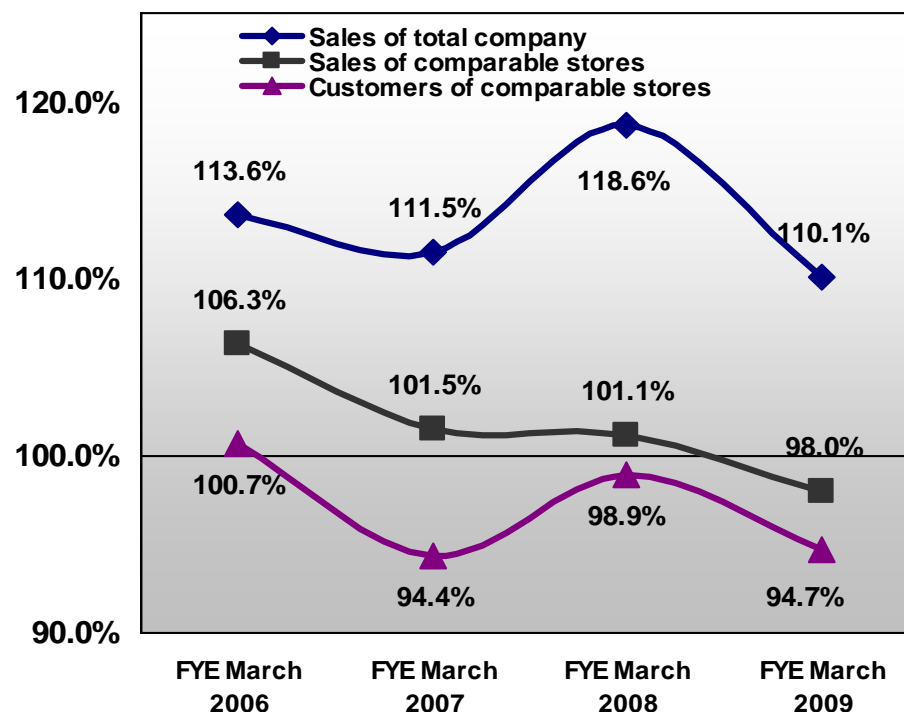
• Sales

Sales were 96.0% of forecast, same store sales were 94.7% YoY.

• Gross profit and other profits

Sales and gross margins were short of forecast, but ordinary profit was in line with forecast due to drastic reduction in SGA expenses. Net income was 69.9% of forecast as impairment loss of stores were posted.

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



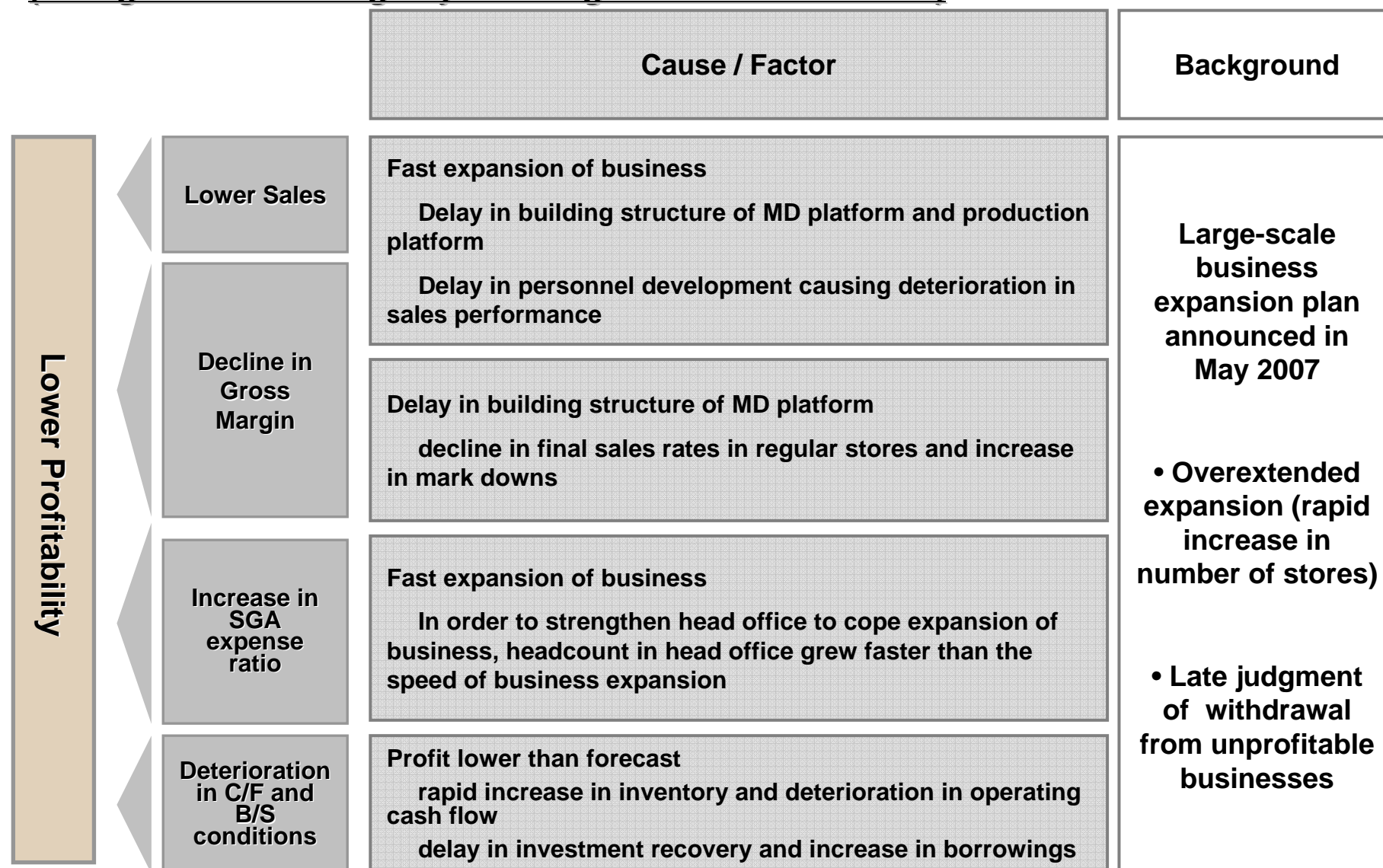
Summary of FYE March 2009

| | Results (¥Bn) | vs Forecast | YoY |
|-------------------------------|------------------|----------------|--------|
| Consolidated Total Sales | 79.6 | 96.0% | 110.3% |
| Non-consolidated Total Sales | 76.5 | 96.4% | 110.1% |
| Business Unit Total | 66.5 | 95.1% | 107.1% |
| Outlet | 9.9 | 106.0% | 135.3% |
| Consolidated Gross Profit | 40.6 | 95.2% | 110.2% |
| Consolidated Recurring Profit | 4.2 | 100.7% | 85.4% |
| Consolidated Net Income | 1.2 | 69.9% | 33.5% |



1- . Summary of Business Results for FYE March 2009

(Background of Setting Key Challenges in FYE March 2010)



1- . Business Summary of FYE March 2009

(1) Challenges to revamp profit structure

Create Product Platform : improve COGS by implementing product planning platform and promoting production platform

- Product Planning Platform: control production plans using unified format, implement management of important indicators
- Product Planning Platform: strengthen procurement system that is flexible to changes from spring/summer 2009
- Production Platform: review production organization and responsibilities of staff to enable orders by the whole company (not by individual brands) start from FYE March 2010
- Production Platform: create system to share information of factories between brands, start operation of system from spring/summer 2009

Minimize head quarters and replace staff from head quarters to stores in order to strengthen sales at stores

Terminate recruitment of head office staff and replace head office staff to stores

Carry out plan to reduce 13% of head office staff compared to beginning of FYE March 2009

- Reduce 30% of departments/offices/sections compared to beginning of FYE March 2009

Early decision making of withdrawal of unprofitable businesses and stores

- Withdraw from unprofitable business (2 stores of SOUNDS GOOD)

*withdraw from last SOUNDS GOOD store during 1H of FYE March 2010

First steps to recover profitability in the mid-term

(2) Challenges for current term

Continue to strengthen sales by OJT and improve operation system so staff can focus on customer service

- Improvement in sales due to revamping of one-to-one training scheme
- 391 improvements suggested, 92% solved

Increase customers shopping at stores by making practical use of CRM system

- Number of membership card holders: 639,809 (as of end of March 2009), sales by card holders to total sales 45.1%
- Send timely e-mails of promotions at stores, number of customers shopping at existing stores 98.0% YoY

Improve liquidation by selling products at appropriate stores (regular or outlet) according to character of product (trend-conscious, basic, etc.) at optimal prices

- Quick liquidation of products by early decision making of mark downs and transfer to outlet stores
Gross margin of sales at outlet stores improved by 4.6% YoY during Fall/Winter 2008

Cost control throughout the company

- Strict control of SGA expenses
Consolidated SGA expenses: 92.5% vs initial forecast, ¥2.9 billion reduced
94.5% vs revised forecast, ¥2.1 billion reduced

Operating profit and ordinary profit in line with forecast

On the other hand, net income was short of forecast by 30.1% due to impairment loss

2- . Measures for FYE March 2010 (New Management)

Change in title of representatives and new business executive system from April 1, 2009

**Shigematsu (Chairman & CEO)
Iwaki (President and COO)**



**Shigematsu (Representative Director,
Executive Officer and President)**

**Iwaki (Representative Director, Executive
Officer and Senior Vice President)**

- **Proceeding business execution by building system closer to stores**
- **Speedy business decision making**



- **Strengthen products and sales**
- **Improve earnings structure**



2- . Policies for FYE March 2010 (Management Policies and Key Challenges)

Management Policy

Improve profitability within this fiscal year without regard of growth of sales

Key challenges

1. Generate higher gross profits by controlling product procurement and inventory reduction

2. Optimize the entire value chain by reviewing business processes for all business activities

3. Optimize HR system by reviewing headquarter and business head office business processes

4. Achieve optimal allocation of business resources by establishing a business management control cycle

Improve
gross
margin

Control SGA
expense to
sales ratio

Improve C/F
and B/S

Improve earnings and profitability

3- . Mid-term Strategies (Summary)

VISION

Placing top priority on distinguishing ourselves as a trend-conscious specialty retail fashion group that continues to satisfy our customers

A group of businesses that has high flexibility to correspond to changes of market situations and provide fashion or products that are a step ahead of the market, or those that reflect the current trends of the market

DREAM PLAN 2011

Four strategic challenges for the mid-term strategy

Branding

Our goods

Our people

Our organization

Withdraw mid-term quantitative target goal (Exceed record consolidated ordinary income and achieve ROE 15% or more by FYE March 2011) that was announced in May 2007 and

Maintain or improve loyalty of customers

Transform into company that has an optimal profit structure

Steady sales growth giving due consideration to business resource allocation

Solid improvement of gross margin

Structural improvement of SGA expenses (especially cost of headquarters)

3- . Mid-term Strategies

(Distribution of profits to shareholders)

Indicators of distribution of profits

Consolidated DOE (Dividend on Equity Ratio) around 4.5%
until FYE March 2011



Measures for FYE March 2010

Maintain annual dividend payment of ¥25 per share
(Estimated consolidated DOE 4.4%, estimated consolidated dividend payout ratio 55.0%)

* DOE: indicator that shows how much dividend was paid out compared to shareholders' equity

$\text{DOE} = \text{Total dividend payment} / \text{Shareholders' Equity} \times 100 (\%)$



For reference: DREAM PLAN 2011 Four strategic challenges

1) Branding: Optimize business portfolio to achieve maximum brand value and manage strategies

- Create portfolio, decide and manage brand positioning statement
- Generate synergy between brands by portfolio management, find opportunities of new business

2) Our goods: Improve accuracy of merchandising by developing merchandising platform and establish optimal SCM (supply chain management) systems

- Develop systems for improving accuracy of merchandising (reorganize product planning and production operation cycle)
- Develop optimal SCM system for each business by developing production systems
- Effectively use point-of-sales systems and members' card date

3) Our people: Restructure HR system to strengthen staff development and raise motivation

- Strengthen systems for staff development for sales staff (store managers, leaders, sales staff) and business head office staff
- Develop career-path system to ensure that all employees are highly motivated and can fully demonstrate their talents
- Set valuation indicators reflecting mission of each business, create business valuation structure

4) Our organization: Develop customer-oriented organizational structure with clear separation and delineation of roles and mission of stores and business head offices

- Assess and restructure the division of roles between stores and business head offices
- Redefine head office functions to optimize operations



FYE March 2009 Earnings Announcement Appendix

- 1. Term end B/S (Consolidated/Non-consolidated)**
- 2. Full term P/L (Consolidated/Non-consolidated)**
- 3. Full term SGA expenses (Non-consolidated)**
- 4. Full term Sales (Consolidated/Non-consolidated)**
- 5. FYE March 2010 1H&2H Sales Forecast (Non-consolidated)**
- 6. Full term store openings and CAPEX (Non-consolidated)**



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

| Consolidated B/S | (Mn yen) | | | | | |
|---------------------|----------------|-------------|----------------|-------------|---------|-----------------------------------|
| | FYE March 2007 | | FYE March 2008 | | | FYE March 2009 |
| | Results | composition | Results | composition | +/- | Results |
| Total Assets | 38,132 | 100.0% | 43,362 | 100.0% | 5,229 | 46,821 100.0% 3,458 |
| Current Assets | 23,478 | 61.6% | 27,283 | 62.9% | 3,805 | 29,460 62.9% 2,176 |
| Fixed Assets | 14,654 | 38.4% | 16,078 | 37.1% | 1,424 | 17,360 37.1% 1,282 |
| Current Liabilities | 16,646 | 43.7% | 20,140 | 46.4% | 3,494 | 19,854 42.4% (285) |
| Fixed Liabilities | 3,850 | 10.1% | 510 | 1.2% | (3,340) | 3,962 8.5% 3,451 |
| Total Net Assets | 17,635 | 46.2% | 22,711 | 52.4% | 5,075 | 23,004 49.1% 292 |

| Non-consolidated B/S | (Mn yen) | | | | | |
|----------------------|----------------|-------------|----------------|-------------|---------|------------------------------------|
| | FYE March 2007 | | FYE March 2008 | | | FYE March 2009 |
| | Results | composition | Results | composition | +/- | Results |
| Total Assets | 37,489 | 100.0% | 42,733 | 100.0% | 5,244 | 45,901 100.0% 3,167 |
| Current Assets | 22,041 | 58.8% | 25,638 | 60.0% | 3,597 | 27,868 60.7% 2,230 |
| Fixed Assets | 15,448 | 41.2% | 17,095 | 40.0% | 1,647 | 18,032 39.3% 937 |
| Current Liabilities | 16,021 | 42.7% | 19,453 | 45.5% | 3,432 | 18,077 39.4% (1,376) |
| Fixed Liabilities | 3,845 | 10.3% | 506 | 1.2% | (3,338) | 3,958 8.6% 3,451 |
| Total Net Assets | 17,622 | 47.0% | 22,773 | 53.3% | 5,151 | 23,865 52.0% 1,092 |



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

| Consolidated P/L | | | | | | (Mn yen) | | | |
|---------------------------|----------------|----------|----------------|----------|----------------|----------------------|----------|----------------|--|
| | FYE March 2008 | | FYE March 2009 | | | FYE March 2010 (est) | | | |
| | results | vs Sales | results | vs Sales | +/- YoY YoY | forecast | vs Sales | +/- YoY YoY | |
| Total Sales | 72,221 | 100.0% | 79,665 | 100.0% | 7,443 110.3% | 82,644 | 100.0% | 2,979 103.7% | |
| Gross Profit | 36,891 | 51.1% | 40,647 | 51.0% | 3,755 110.2% | 42,207 | 51.1% | 1,560 103.8% | |
| SGA Exp. | 31,960 | 44.3% | 36,327 | 45.6% | 4,366 113.7% | 37,728 | 45.7% | 1,400 103.9% | |
| Operating Pro. | 4,930 | 6.8% | 4,319 | 5.4% | (610) 87.6% | 4,478 | 5.4% | 159 103.7% | |
| Non-operating Profit/Loss | 86 | 0.1% | (36) | 0.0% | (123) - | (178) | -0.2% | (142) - | |
| Ordinary Pro. | 5,017 | 6.9% | 4,283 | 5.4% | (734) 85.4% | 4,300 | 5.2% | 16 100.4% | |
| Extraordinary Profit/Loss | 1,798 | 2.5% | (1,224) | -1.5% | (3,023) - | (476) | -0.6% | 747 - | |
| Net Income | 3,800 | 5.2% | 1,274 | 1.6% | (2,525) 33.5% | 1,943 | 2.4% | 668 152.5% | |

| Non-consolidated P/L | | | | | | (Mn yen) | | | |
|---------------------------|----------------|----------|----------------|----------|----------------|----------------------|----------|----------------|--|
| | FYE March 2008 | | FYE March 2009 | | | FYE March 2010 (est) | | | |
| | results | vs Sales | results | vs Sales | +/- YoY YoY | forecast | vs Sales | +/- YoY YoY | |
| Total Sales | 69,560 | 100.0% | 76,582 | 100.0% | 7,021 110.1% | 76,906 | 100.0% | 324 100.4% | |
| Gross Profit | 35,423 | 50.9% | 38,965 | 50.9% | 3,542 110.0% | 39,371 | 51.2% | 405 101.0% | |
| SGA Exp. | 30,686 | 44.1% | 34,127 | 44.6% | 3,440 111.2% | 34,380 | 44.7% | 253 100.7% | |
| Operating Pro. | 4,737 | 6.8% | 4,838 | 6.3% | 101 102.1% | 4,990 | 6.5% | 152 103.1% | |
| Non-operating Profit/Loss | 101 | 0.1% | 27 | 0.0% | (73) 27.4% | (90) | -0.1% | (118) - | |
| Ordinary Pro. | 4,839 | 7.0% | 4,866 | 6.4% | 27 100.6% | 4,900 | 6.4% | 33 100.7% | |
| Extraordinary Profit/Loss | 1,816 | 2.6% | (1,219) | -1.6% | (3,035) - | (461) | -0.6% | 758 - | |
| Net Income | 3,875 | 5.6% | 2,074 | 2.7% | (1,800) 53.5% | 2,529 | 3.3% | 455 122.0% | |



3. Full term SGA expenses (Non-consolidated)

| (Mn yen) | | | | | |
|----------------------|-----------------|-----------------|-----------------|----------------------|----------------|
| | FYE March 2008 | FYE March 2009 | | FYE March 2010 (est) | |
| | vs Sales | vs Sales | YoY | vs Sales | YoY |
| | Results | Results | +/- YoY | Forecast | +/- YoY |
| Total SGA Expenses | 44.1% 30,686 | 44.6% 34,127 | 111.2% 3,440 | 44.7% 34,380 | 100.7% 253 |
| Advertisement | 1.7% 1,183 | 1.5% 1,184 | 100.0% 0 | 1.4% 1,098 | 92.8% (85) |
| Personnel | 15.2% 10,592 | 15.9% 12,172 | 114.9% 1,580 | 16.4% 12,619 | 103.7% 446 |
| Rent | 11.9% 8,287 | 12.4% 9,505 | 114.7% 1,218 | 12.5% 9,622 | 101.2% 116 |
| Depreciation | 1.2% 854 | 1.6% 1,187 | 138.9% 332 | 1.5% 1,143 | 96.3% (44) |
| Others | 14.0% 9,768 | 13.2% 10,077 | 103.2% 309 | 12.9% 9,897 | 98.2% (180) |
| Non-operating P/L | 0.1% 101 | 0.0% 27 | 27.4% (73) | -0.1% (90) | - (118) |
| Non-operating profit | 0.4% 247 | 0.3% 208 | 84.1% (39) | 0.1% 99 | 48.0% (108) |
| Non-operating loss | 0.2% 145 | 0.2% 180 | 123.8% 34 | 0.2% 190 | 105.8% 10 |



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

| | | (Mn yen) | | | | |
|-------------------------|--|----------------|----------------|----------------|----------------------|----------------|
| | | FYE March 2008 | FYE March 2009 | | FYE March 2010 (est) | |
| | | results | results | +/- YoY YoY | forecast | +/- YoY YoY |
| Consolidated | | | | | | |
| Total Sales | | 72,221 | 79,665 | 7,443 110.3% | 82,644 | 2,979 103.7% |
| Non-consolidated | | | | | | |
| Total Sales | | 69,560 | 76,582 | 7,021 110.1% | 76,906 | 324 100.4% |
| Business Unit Total | | 62,173 | 66,588 | 4,414 107.1% | 66,284 | (303) 99.5% |
| UA | | 35,118 | 36,802 | 1,684 - | 35,655 | (1,146) 96.9% |
| GLR | | 13,264 | 14,422 | 1,158 108.7% | 14,758 | 335 102.3% |
| CH | | 3,310 | 3,818 | 507 115.3% | 3,873 | 55 101.4% |
| SBU's and UA Labs | | 10,480 | 11,544 | 1,064 - | 11,996 | 452 103.9% |
| Outlet | | 7,387 | 9,993 | 2,606 135.3% | 10,621 | 627 106.3% |
| Comparable Store Sales | | 101.1% | 94.7% | | 97.8% | |
| UA | | - | - | | 95.9% | |
| GLR | | 96.8% | 99.2% | | 101.0% | |
| CH | | 112.7% | 90.8% | | 101.1% | |
| SBU's and UA Labs | | - | - | | 98.5% | |

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

*Sales of Liquor, w oman&tears and personal styling department are included in UA business (previously included in SBU's and UA Labs) from FYE March 2010 and data of FYE March 2008 and 2009 have been retroactively calculated.



5. FYE March 2010 1H&2H Sales Forecast (Non-consolidated)

(Mn yen)

| | FYE March 2010 Full Term | | | FYE March 2010 1H | | | | | FYE March 2010 2H | | |
|------------------------|-----------------------------|---------|--------|-------------------|--------|----------|---------|--------|-------------------|---------|--------|
| | Forecast | +/- YoY | | 1Q | 2Q | 1H | +/- YoY | | 2H | +/- YoY | |
| | | | YoY | | | Forecast | | YoY | Forecast | | YoY |
| Total Sales | 76,906 | 324 | 100.4% | 18,084 | 17,810 | 35,895 | 503 | 101.4% | 41,011 | (179) | 99.6% |
| Business Units Total | 66,284 | (303) | 99.5% | 15,274 | 15,474 | 30,748 | (42) | 99.9% | 35,536 | (260) | 99.3% |
| UA | 35,655 | (1,146) | 96.9% | 8,091 | 8,185 | 16,277 | (369) | 97.8% | 19,378 | (777) | 96.1% |
| GLR | 14,758 | 335 | 102.3% | 3,606 | 3,312 | 6,919 | 116 | 101.7% | 7,839 | 219 | 102.9% |
| CH | 3,873 | 55 | 101.4% | 945 | 967 | 1,912 | (31) | 98.4% | 1,961 | 86 | 104.6% |
| SBUs and UA Labs | 11,996 | 452 | 103.9% | 2,630 | 3,008 | 5,639 | 240 | 104.5% | 6,357 | 211 | 103.4% |
| Outlet | 10,621 | 627 | 106.3% | 2,809 | 2,336 | 5,146 | 546 | 111.9% | 5,475 | 81 | 101.5% |
| Comparable Store Sales | 97.8% | | | 95.4% | 96.9% | 96.1% | | | 99.1% | | |
| UA | 95.9% | | | 93.4% | 94.9% | 94.1% | | | 97.2% | | |
| GLR | 101.0% | | | 100.5% | 100.6% | 100.5% | | | 101.5% | | |
| CH | 101.1% | | | 93.3% | 100.7% | 97.1% | | | 105.0% | | |
| SBUs and UA Labs | 98.5% | | | 95.5% | 96.8% | 96.2% | | | 100.7% | | |



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

| | FYE March 2008 | FYE March 2009 | FYE March 2010 (est) |
|-------------------------------------------|-------------------|-------------------|-------------------------|
| Number of store openings, employees, etc. | | | (/term end stores) |
| Number of store openings | 34 | 20 | 9 / 142 |
| UA | 9 | 11 | 3 / 47 |
| GLR | 9 | 1 | 1 / 37 |
| CH | 2 | 0 | 0 / 5 |
| S.B.U. & UA Labs | 14 | 8 | 5 / 53 |
| Removal (inc. brand transfer) | 10 | 10 | 5 |
| Term end retail stores | 128 | 138 | 142 |
| Outlet stores | 11 | 15 | 0 / 15 |
| Term end employees | 2,567 | 2,692 | 2,788 |
| Term end part-timers | | | |
| CAPEX and Depreciation | | | |
| Operating CAPEX | 2,310 | 2,988 | 655 |
| Land | - | - | - |
| Others | 522 | 286 | 371 |
| CAPEX Total | 2,832 | 3,275 | 1,026 |
| Guarantee Deposits | 908 | 328 | (8) |
| Depreciation (as of P/L) | 854 | 1,187 | 1,143 |

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

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