



Fiscal Year Ended March 2009 Second Quarter 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]

Earnings forecasts and objective views contained in this document are based on decisions made by UNITED ARROWS LTD. in light of information obtainable as of November 12, 2008, and therefore include risks and uncertainty. Actual earnings may differ materially from forecasts due to global economic trends, market conditions, exchange rate fluctuations and other factors. Investors are asked to refrain from making investment decisions based solely on this document.

[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,

Cath Kidston: CK

UA Labs;

TOKISHIRAZU: TSZ, Liquor,woman&tears: LWT

I. Overview of business results in 2Q

1. P/L overview (consolidated/non-consolidated, 6 months aggregate)

- Profit other than gross profit reached target sales were short of target, but SGA expenses were controlled
- Net income decline as there was profit from sales of fixed assets (¥2.5 billion) in the previous 2Q

	Consolidated results						(million yen)			
	FYE March 2009 2Q (6 months aggregate)						<cf> Previous 2Q		Forecasts	
	Results	vs sales	YoY		vs Forecasts		vs sales		vs sales	
			+/-	%	+/-	%				
Sales	36,669	100.0%	5,009	115.8%	(901)	97.6%	31,659	100.0%	37,571	100.0%
Gross Profit	18,672	50.9%	2,202	113.4%	(857)	95.6%	16,470	52.0%	19,530	52.0%
SGA Exp.	17,818	48.6%	2,872	119.2%	(1,025)	94.6%	14,945	47.2%	18,844	50.2%
Operating Inc.	854	2.3%	(670)	56.0%	168	124.5%	1,524	4.8%	686	1.8%
Non Op. P/L	8	0.0%	(31)	21.7%	5	295.5%	40	0.1%	2	0.0%
Ordinary Inc.	863	2.4%	(702)	55.1%	174	125.3%	1,565	4.9%	689	1.8%
Extraordinary P/L	(219)	-0.6%	(2,575)	-	26	89.1%	2,355	7.4%	(246)	-0.7%
Net Income	165	0.5%	(2,059)	7.5%	125	410.5%	2,225	7.0%	40	0.1%



For reference: P/L overview (non-consolidated, 6 months aggregate)

	Non-consolidated results						(million yen)			
	FYE March 2009 2Q (6 months aggregate)						<cf> Previous 2Q		Forecasts	
	Results	vs sales	YoY		vs Forecasts		vs sales		vs sales	
			+/-	%	+/-	%				
Sales	35,391	100.0%	4,957	116.3%	(771)	97.9%	30,434	100.0%	36,163	100.0%
Gross Profit	17,968	50.8%	2,166	113.7%	(839)	95.5%	15,801	51.9%	18,808	52.0%
SGA Exp.	16,963	47.9%	2,600	118.1%	(932)	94.8%	14,363	47.2%	17,895	49.5%
Operating Inc.	1,005	2.8%	(433)	69.9%	92	110.1%	1,438	4.7%	912	2.5%
Non Op. P/L	41	0.1%	(5)	87.9%	12	141.6%	47	0.2%	29	0.1%
Ordinary Inc.	1,047	3.0%	(439)	70.5%	104	111.1%	1,486	4.9%	942	2.6%
Extraordinary P/L	(220)	-0.6%	(2,587)	-	26	89.2%	2,367	7.8%	(246)	-0.7%
Net Income	447	1.3%	(1,806)	19.9%	41	110.2%	2,254	7.4%	406	1.1%

2. Sales overview (consolidated, 6 months aggregate)

- Non-consolidated sales were ¥35,391million (116.3% YoY, 97.9% vs forecast)
- Business unit sales were ¥30,791million (112.7% YoY, 94.9% vs forecast)
- Same store sales during 1H (from April to September) was 96.7%

	FYE March 2009 2Q (6 months aggregate)				(million yen)	
	Results	YoY		vs Forecast		<cf> Previous 2Q Forecast
		+/-	%	+/-	%	
Consolidated Total Sales	36,669	5,009	115.8%	(901)	97.6%	31,659 37,571
Non-consolidated Total Sales	35,391	4,957	116.3%	(771)	97.9%	30,434 36,163
Total Business Unit Sales	30,791	3,474	112.7%	(1,665)	94.9%	27,317 32,456
UA	16,531	967	106.2%	(1,172)	93.4%	15,564 17,704
GLR	6,802	1,257	122.7%	122	101.8%	5,545 6,680
CH	1,943	280	116.9%	(277)	87.5%	1,663 2,221
SBUs and UA Labs	5,513	968	121.3%	(337)	94.2%	4,544 5,850
Outlet	4,600	1,482	147.6%	893	124.1%	3,117 3,706
Same store sales			96.7%			104.4% 100.3%
UA			93.8%			104.7% 98.8%
GLR			104.2%			97.5% 99.9%
CH			98.8%			110.6% 111.9%
SBUs and UA Labs			96.2%			112.1% 101.7%

UNITED ARROWS LTD.

Consolidated total assets: ¥46,037 million (105.7%), non-consolidated total assets ¥45,415 million (106.0% YoY)

Consolidated B/S compared to previous 2Q

- **Current assets:** increase in inventory due to business expansion ¥0.9 billion
- **Non-current assets:** increase in tangible fixed assets (¥1.4 billion) and guarantee deposits (¥0.5 billion) due to store openings and store space expansions
- **Current liabilities:** increase in short term debt including current portion of long term debt ¥6.9 billion, decrease in income taxes payable ¥1.5 billion
- **Non-current liabilities:** decline in long term debt ¥1.8 billion

Balance of bank borrowings at 2Q end: ¥10.5 billion (+¥5.1 billion YoY)

	Consolidated results			<cf>	Non-consolidated results			<cf>
	FYE March 2009 2Q			Previous 2Q	FYE March 2009 2Q			Previous 2Q
	% of total	YoY		% of total	% of total	YoY		% of total
	Results	+/-	%	Results	Results	+/-	%	Results
	100.0%			100.0%	100.0%			100.0%
Total assets	46,037	2,476	105.7%	43,561	45,415	2,561	106.0%	42,853
Current assets	62.2%	726	102.6%	27,887	59.1%	535	102.0%	26,293
Noncurrent assets	37.8%	1,749	111.2%	15,674	40.9%	2,026	112.2%	16,560
Current liabilities	51.5%	4,756	125.1%	18,931	50.0%	4,508	124.8%	18,213
Noncurrent liabilities	0.2%	(1,946)	4.6%	2,040	0.2%	(1,946)	4.4%	2,036
Total net assets	48.3%	(332)	98.5%	22,589	49.8%	0	100.0%	22,604

4. C/F overview of 2Q (consolidated)

- C/F from operating activities: improvement in sub total (¥0.6 billion) due to inventory control
- C/F from investment activities: increase in purchase of tangible fixed assets (-¥1.9 billion, -¥1.0 billion YoY), decline in proceeds from sales of fixed assets (+¥3.0 billion YoY)
- C/F from financing activities: increase in short term debt (+¥4.9 billion, -¥1.0 billion YoY), decline in proceeds from sales of treasury stocks (+¥3.0 billion)

	Consolidated Results (FYE March 2009 2Q)		(million yen) <cf> Previous 2Q
	Results	+/-	Results
Cash flows from operating activities (sub total)	1,468	638	829
Cash flows from operating activities (total)	(503)	372	(875)
Cash flows from investment activities	(2,449)	(3,533)	1,084
Cash flows from financing activities	2,532	2,620	(87)
Increase/decrease in cash and cash equivalents	(420)	(541)	121
Cash and cash equivalents at beginning of term	2,975	4	2,971
Cash and cash equivalents at end of term	2,554	(537)	3,092

5. Summary of earnings forecast for FYE March 2009 (consolidated)

- 2H no major changes compared to initial forecast
- No changes in profit other than gross profit for the full term

	Consolidated Forecast (FYE March 2009)						<cf> Previous Term		(million yen) Forecast		
	Forecast	vs Sales	YoY		vs Forecast						
			+/-	%	+/-	%	vs Sales		vs Sales		
Sales	83,028	100.0%	10,806	115.0%	■	(901)	98.9%	72,221	100.0%	83,929	100.0%
Gross Profit	42,709	51.4%	5,817	115.8%	■	(857)	98.0%	36,891	51.1%	43,566	51.9%
SGA Exp.	38,457	46.3%	6,496	120.3%	■	(857)	97.8%	31,960	44.3%	39,315	46.8%
Operating Inc.	4,251	5.1%	(678)	86.2%	■	0	100.0%	4,930	6.8%	4,251	5.1%
Non Op. P/L	3	0.0%	(83)	3.7%	■	0	100.0%	86	0.1%	3	0.0%
Ordinary Inc.	4,254	5.1%	(762)	84.8%	■	0	100.0%	5,017	6.9%	4,254	5.1%
Extraordinary P/L	(251)	-0.3%	(2,050)	-	■	0	100.0%	1,798	2.5%	(251)	-0.3%
Net Income	1,822	2.2%	(1,977)	48.0%	■	0	100.0%	3,800	5.2%	1,822	2.2%

**For Reference #1:****Summary of earnings forecast for FYE March 2009 (non-consolidated)**

	Non-consolidated Forecast (FYE March 2009)						(million yen)			
	Forecast		YoY		vs Forecast		<cf> Previous Term		Forecast	
	vs Sales						vs Sales		vs Sales	
			+/-	%	+/-	%				
Sales	79,419	100.0%	9,858	114.2%	(771)	99.0%	69,560	100.0%	80,190	100.0%
Gross Profit	40,792	51.4%	5,369	115.2%	(839)	98.0%	35,423	50.9%	41,632	51.9%
SGA Exp.	35,958	45.3%	5,272	117.2%	(839)	97.7%	30,686	44.1%	36,798	45.9%
Operating Inc.	4,833	6.1%	96	102.0%	0	100.0%	4,737	6.8%	4,833	6.0%
Non Op. P/L	66	0.1%	(35)	64.7%	0	100.0%	101	0.1%	66	0.1%
Ordinary Inc.	4,900	6.2%	60	101.3%	0	100.0%	4,839	7.0%	4,900	6.1%
Extraordinary P/L	(251)	-0.3%	(2,067)	-	0	100.0%	1,816	2.6%	(251)	-0.3%
Net Income	2,714	3.4%	(1,160)	70.0%	0	100.0%	3,875	5.6%	2,714	3.4%

**For Reference #2.****Summary of P/L in 1H&2H (consolidated/non-consolidated)**

Consolidated P/L 1H results and 2H forecast

(million yen)

	FYE March 2009 1H Results						FYE March 2009 2H Forecasts							
	Results	YoY			vs forecast			Forecast	YoY			vs forecast		
		vs Sales	+/-	%	+/-	%	vs Sales		+/-	%	+/-	%		
Sales	36,669	100.0%	5,009	115.8%	(901)	97.6%	46,358	100.0%	5,796	114.3%	0	100.0%		
Gross Profit	18,672	50.9%	2,202	113.4%	(857)	95.6%	24,036	51.8%	3,615	117.7%	0	100.0%		
SGA Exp.	17,818	48.6%	2,872	119.2%	(1,025)	94.6%	20,639	44.5%	3,624	121.3%	168	100.8%		
Operating Inc.	854	2.3%	(670)	56.0%	168	124.5%	3,397	7.3%	(8)	99.8%	(168)	95.3%		
Non Op. P/L	8	0.0%	(31)	21.7%	5	295.5%	(5)	0.0%	(51)	-	(5)	-		
Ordinary Inc.	863	2.4%	(702)	55.1%	174	125.3%	3,391	7.3%	(60)	98.3%	(174)	95.1%		
Extraordinary P/L	(219)	-0.6%	(2,575)	-	26	89.1%	(31)	-0.1%	524	-	(36)	-637%		
Net Income	165	0.5%	(2,059)	7.5%	125	410.5%	1,656	3.6%	81	105.2%	(125)	93.0%		

(million yen)

	FYE March 2009 1H Results						FYE March 2009 2H Forecasts					
	Results	YoY		vs forecast			Forecast	YoY		vs forecast		
		vs Sales	+/-	%	+/-	%		vs Sales	+/-	%	+/-	%
Sales	35,391	100.0%	4,957	116.3%	(771)	97.9%	44,027	100.0%	4,901	112.5%	0	100.0%
Gross Profit	17,968	50.8%	2,166	113.7%	(839)	95.5%	22,824	51.8%	3,202	116.3%	0	100.0%
SGA Exp.	16,963	47.9%	2,600	118.1%	(932)	94.8%	18,995	43.1%	2,672	116.4%	92	100.5%
Operating Inc.	1,005	2.8%	(433)	69.9%	92	110.1%	3,828	8.7%	530	116.1%	(92)	97.6%
Non Op. P/L	41	0.1%	(5)	87.9%	12	141.6%	24	0.1%	(30)	44.4%	(12)	66.1%
Ordinary Inc.	1,047	3.0%	(439)	70.5%	104	111.1%	3,852	8.8%	499	114.9%	(104)	97.4%
Extraordinary P/L	(220)	-0.6%	(2,587)	-	26	89.2%	(31)	-0.1%	520	5.7%	(26)	631%
Net Income	447	1.3%	(1,806)	19.9%	41	110.2%	2,266	5.1%	645	139.9%	(41)	98.2%



6. Plans of store openings/closings

- UA LTD. : 1 store short of forecast
- PERENNIAL UA: 1 store short of forecast
- FIGO: 1 store more than forecast

FYE March 2009 2Q end (UA alone)

• Store openings	10
• Store closings	7
• Number of stores at term end	130

FYE March 2009 term end (est, UA alone)

• Store openings	20
• Store closings	7
• Number of stores at term end	140
1 CHROME HEARTS store to be opened next term	

cf: New store openings for subsidiaries

• FIGO	1 (term end 12)
• COEN	16 (term end 16)
• PERENNIAL UA	2 (term end 2)

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

		Beginning of term	New stores (est)			Close	End of term (est)
Total		127	20	10	10	7	140
Core	UA Biz. Total	36	11	6	5	3	44
	Existing UA	17	0			3	14
	New UA	9	4	2	2		13
	B&Y	8	7	4	3		15
	UA Label Image Store	2	0				2
Biz.	GLR Biz. Total	39	1	0	1	3	37
	GLR	36	1		1		37
	GLR New Form	3	0			3	0
	CH	5	0		0		5
SBU and UA Labs	S.B.U. and UA Labs Total	47	8	4	4	1	54
	Another Edition	13	1		1		14
	Jewel Changes	5	1		1		6
	Odette é Odile	16	3	2	1	1	18
	DRAWER	4	1	1			5
	SOUNDS GOOD	2	1	1			3
	Cath Kidston	2	1		1		3
	TOKISHIRAZU	4	0				4
	Liquor, woman& tears	1	0				1
	Outlet stores of UA LTD.	11	4	2	2		15

* UA Label Image Store are THE SOVEREIGN HOUSE (1 store) and District UNITED ARROWS (1 store).



Cf: Details of store openings/transfer/extension (confirmed projects only)

Details of store openings/transfer/extension for FYE March 2009 (confirmed projects only)

Form	Biz	Business unit	Outline	Timing	Store name	Name of facility	Space (m²)	Opening day (*est)
New stores	UA	New UA	new	Apr	SHIBUYA KOENDORI	PARKWAY SQUARE 2	total space 320.1	20-Apr-08
			new	Apr	SAPPORO	Sapporo Parco	total space 422.4	25-Apr-08
			new	Sep	FUKUOKA Cath Kidston Selection	SOLARIA PLAZA	total space 85.8	5-Sep-08
			new	Oct	KASHIWA	Kashiwa Takashimaya Station Mall (New)	total space 254.1	1-Oct-08
			new	Oct	UMEDA	BREEZÉ BREEZÉ	total space 891.0	3-Oct-08
		B&Y	new	Apr	SHIBUYA KOENDORI	PARKWAY SQUARE 2	total space 650.1	20-Apr-08
			new	Apr	SAPPORO	Sapporo Parco	total space 419.1	25-Apr-08
			new	May	FUNABASHI	LaLaport TOKYO-BAY South	total space 392.7	22-May-08
			new	Sep	KASHIWA	Kashiwa Takashimaya Station Mall (S)	total space 386.1	22-Sep-08
			new	Oct	UMEDA	E-MA	total space 495.0	2-Oct-08
	GLR	GLR	new	Nov	nishinomiya gardens	Hankyu Nishinomiya Gardens	total space 356.5	26-Nov-08
			new	Nov	Umeda	n/a	total space 112.2	7-Nov-08
			new	Oct	Umeda	BREEZÉ BREEZÉ	total space 155.1	3-Oct-08
			new	Apr	roppongi hills	ROPPONGI HILLS	total space 92.4	18-Apr-08
			new	Jun	sendai	S-PAL II	total space 102.3	18-Jun-08
			new	Oct	umeda	BREEZÉ BREEZÉ	total space 102.3	3-Oct-08
			new	Apr	MARUNOUCHI	Roadside Store	total space 250.8	26-Apr-08
			new	Aug	SHIBUYA KOENDORI	Roadside Store	total space 217.8	23-Aug-08
			new	Oct	Osaka	BREEZÉ BREEZÉ	total space 112.2	3-Oct-08
			SBU and UA Labs	SBU and UA Labs	Outlet	new	Apr	IRUMA
new	Jul	NASU				NASU GARDEN OUTLET	total space 498.3	17-Jul-08
DRAWER	new	Apr			MARUNOUCHI	Roadside Store	total space 250.8	26-Apr-08
	new	Aug			SHIBUYA KOENDORI	Roadside Store	total space 217.8	23-Aug-08
SOUNDS GODD	new	Oct			Osaka	BREEZÉ BREEZÉ	total space 112.2	3-Oct-08
	new	Oct			Osaka	BREEZÉ BREEZÉ	total space 112.2	3-Oct-08
Cath Kidston	new	Oct			Osaka	BREEZÉ BREEZÉ	total space 112.2	3-Oct-08
	new	Oct			Osaka	BREEZÉ BREEZÉ	total space 112.2	3-Oct-08
Outlet	Outlet	new	Apr	IRUMA	MITSUI OUTLET PARK Iruma	total space 745.8	10-Apr-08	
		new	Jul	NASU	NASU GARDEN OUTLET	total space 498.3	17-Jul-08	
		new	Oct	SENDAI	Sendai-Izumi Premium Outlets	total space 478.5	16-Oct-08	
		new	Nov	KARUIZAWA	KARUIZAWA A PRINCE SHOPPING PLAZA	total space 495.0	14-Nov-08	
Extension	CH	CHROME HEARTS	extension	Apr	CHROME HEARTS TOKYO	Roadside Store	total space 537.9	26-Apr-08
Closure	UA	Existing UA	transfer	Apr	SAPPORO	4chome Plaza	-	6-Apr-08
			transfer	Jul	KASHIWA	Kashiwa Takashimaya Station Mall	-	8-Jul-08
			transfer	Aug	UMEDA	E-MA	-	17-Aug-08
			removal	Jul	Daimaru Umeda	DAIMARU UMEDA	-	28-Jul-08
	GLR	ODONATA GLR FACADE GREEN GLR	removal	Jul	Daimaru Umeda	DAIMARU UMEDA	-	28-Jul-08
			removal	Jul	Fukuoka Solaria Plaza	SOLARIA PLAZA	-	31-Jul-08
	SBU	Odette é Odile	removal	Sep	namba marui	Namba MARUI	-	23-Sep-08
Renewal		August: Odette é Odile sapporo September: THE SOVEREIGN HOUSE, green label relaxing sapporo, green label relaxing omiya						

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

II. Additional information on business results

1. Trend of inventories (non-consolidated)

2. Trend of gross margin (non-consolidated)

3. Details of SGA expenses (non-consolidated)

4. Progress of new subsidiaries

1. Trend of inventories (non-consolidated)

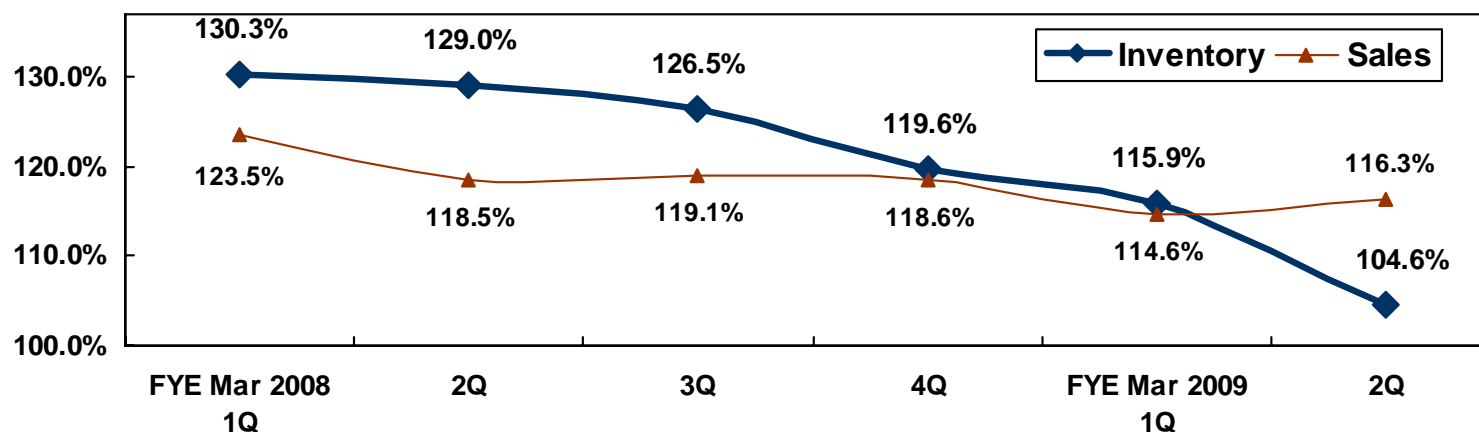
- Inventory level 104.6% YoY (at 2Q end) lower than sales growth
- Target term end inventory level: 100 to 110% YoY

Change in Inventories (product inventory + stored goods)

(million yen)

	FYE March 2008 1Q	FYE March 2008 Interim	FYE March 2008 3Q	FYE March 2008	FYE March 2009 1Q	FYE March 2009 2Q
Inventory at term end	14,589	17,730	18,242	16,563	16,913	18,546
YoY	130.3%	129.0%	126.5%	119.6%	115.9%	104.6%
cf. Sales YoY	123.5%	118.5%	119.1%	118.6%	114.6%	116.3%

Historical inventory and sales (YoY)



2. Trend of gross margin (non-consolidated)

- **Total company gross margin 50.8% (-1.1% YoY, -1.2% vs forecast)**
increase in composition of outlet sales to total sales and decline in gross profit of business units
- **Gross margin of total business units** decline due to increase in composition of bargain sales and further mark downs of spring/summer items
- **Gross margin of outlet stores** increase due to faster transfer and sales of current season items
- **Other COGS** increase due to decline in disposal amount

Change in Gross Margin

	FYE March 2009 2Q			FYE March 2009 (est)	
	Results	vs Forecast	YoY	Forecast	YoY
Total Company	50.8%	-1.2%	-1.1%	51.4%	0.4%
Total Business Units	56.8%	-1.2%	-0.9%	57.4%	0.4%
Outlet	19.8%	5.6%	3.8%	17.8%	0.4%
Other COGS (Mn yen)	424	(113)	(31)	1,040	(232)
Composition of outlet sales to total sales	13.0%	2.7%	2.8%	11.9%	1.3%

*"Other COGS" means product valuation loss and disposal, etc.

3. Details of SGA expenses (non-consolidated)



- SGA expenses to sales 47.9% (-1.6% vs forecast, +0.7% YoY)
reduction in most expenses other than rent

Details of SGA expenses (non-consolidated)

(million yen)

(vs Sales)		2Q (6 months aggregate)						Details
		Results		Forecast		vs Forecast		
			vs Sales		vs Sales	+/-	%	
Total SGA expenses		16,963	47.9%	17,895	49.5%	(932)	94.8%	
	Advertisement	655	1.9%	783	2.2%	(127)	83.8%	· reduction in advertisements and display expenses
	Personnel	6,132	17.3%	6,340	17.5%	(207)	96.7%	· reduction due to review of headcount
	Rent	4,522	12.8%	4,475	12.4%	46	101.0%	· increase due to higher than expected online sales (120% vs forecast)
	Depreciation	559	1.6%	596	1.6%	(36)	93.9%	-
	Others	5,091	14.4%	5,699	15.8%	(608)	89.3%	· reduction in cost for décor of new stores, repairs in existing stores, equipments, meetings, business trips, R&D, etc.

4. Progress of new subsidiaries

Name	<div>COEN</div> <div>PERENNIAL UNITED ARROWS</div>	
Brand Name Photo of store	<div>COEN</div> 	<div>FRANQUEENSENSE</div> 
Consolidated 2Q results (from Feb to Jul 2008)	Store opening preparation period posted cost was lower than forecast	
Number of stores as of Oct 2008	8	2
Business Results (as of Oct 2008)	Sale are short of forecasts for both subsidiaries (around 80% of forecasts) However, operating profit/loss is in line with forecasts due to cost control	

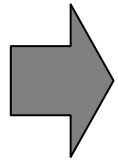


UNITED ARROWS LTD.

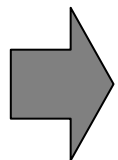


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III. Business summary and important measures, etc.



1. Summary of 2Q results

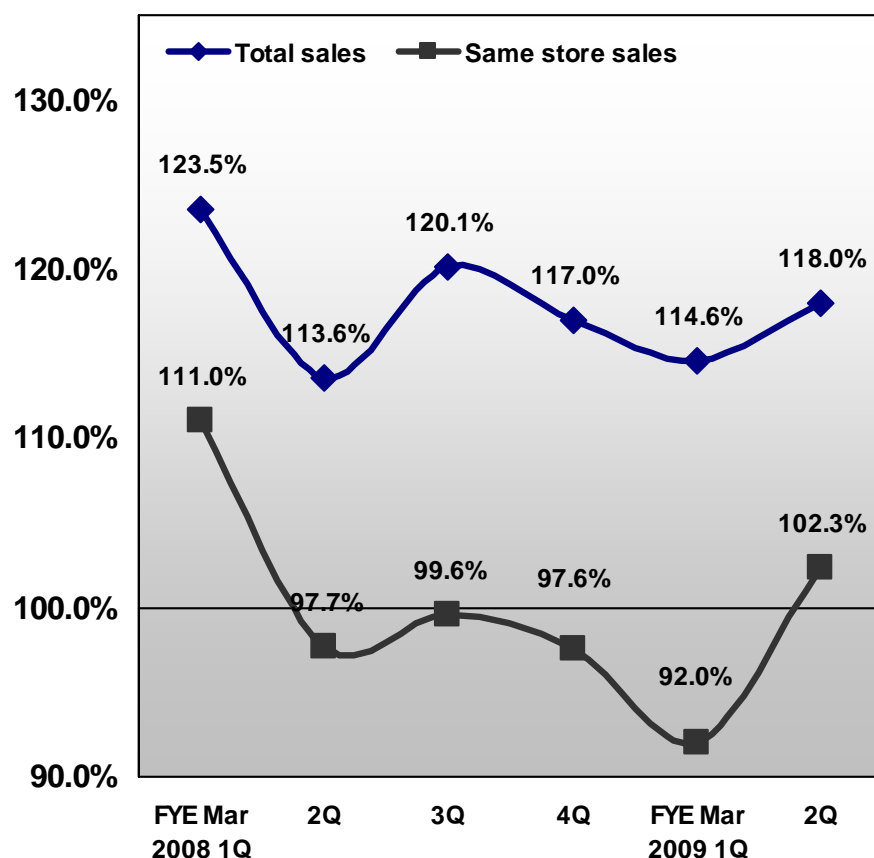


2. Important measures in 2H



1. Summary of 2Q results

Growth of total company sales and same store sales (YoY, non-consolidated)



Summary of 2Q (6 months aggregate)

	results (in Bn)	YoY	vs forecast
Consolidated net sales	36.6	115.8%	97.6%
Non-consolidated net sales	35.3	116.3%	97.9%
Total Business Unit sales	30.7	112.7%	94.9%
Outlet	4.6	147.6%	124.1%
Consolidated gross profit	18.6	113.4%	95.6%
Consolidated ordinary income	0.8	55.1%	125.3%
Consolidated net income	0.1	7.5%	410.5%

Major progresses and tasks by 2Q

Inventory: under control

reduction of unnecessary inventory due to optimal operation to raise final sales ratio

Profit: reached target goals

due to cost reduction throughout the company

Measures that need to be continued

Business unit sales: under forecasts

further fine-tuning in product planning and cooperation between product division and store sales division is needed

Gross margin: declining

caused by increase in composition of outlet sales, increase in bargain sales at regular stores

SGA expense ratio: increasing

although under forecasts, rising in the past few years

Future concerns

New subsidiaries (COEN, PERENNIAL UA)

Decide future strategies after brand recognition

2. Important measures in 2H

1) Fundamentally improve earning structure

Raise corporate value in the mid to long-term

2) Reach annual targets

Achieve profit goals

1) Fundamentally improve earning structure

Raise corporate value in the mid to long-term

- **Slim down head office and replace staff to stores**
- **Improve sales efficiency by full operation of merchandise platform and reduce cost by promoting operation of production platform**
- **Early decision making and withdrawal from unprofitable businesses or stores**

2) Reach annual targets

Achieve profit goals

· Continue to strengthen sales by OJT and prepare system so store staff can concentrate on serving customers

· Strengthen promotion to increase customers buying at stores by utilizing CRM system

· Improve sales by replacing merchandises from regular stores to outlet stores and percentage of mark downs according to character of each item (fashionable or basic)

· Continue cost reduction

FYE March 2009

2Q Earnings Announcement

Appendix

1. Term end B/S (consolidated/non-consolidated)
2. Full term P/L results & forecasts (consolidated/non-consolidated)
3. Full term SGA expenses results & forecasts (non-consolidated)
4. SGA expenses in 1H/2H (non-consolidated)
5. Full term sales results & forecasts (consolidated/non-consolidated)
6. 1H/2H sales results & forecasts (consolidated/non-consolidated)
7. Same store sales by business (non-consolidated)
8. 1H store openings/CAPEX results (non-consolidated)
9. Full term store openings/CAPEX results & forecasts (non-consolidated)



1. Term end B/S (consolidated/non-consolidated)

Consolidated B/S		(million yen)								
		FYE March 2006		FYE March 2007			FYE March 2008			
	Results	vs total assets	Results	composition	+/-	YoY	Results	composition	+/-	YoY
Total Assets	35,334	100.0%	38,132	100.0%	2,797	107.9%	43,362	100.0%	5,229	113.7%
Current Assets	23,378	66.2%	23,478	61.6%	100	100.4%	27,283	62.9%	3,805	116.2%
Fixed Assets	11,956	33.8%	14,654	38.4%	2,697	122.6%	16,078	37.1%	1,424	109.7%
Current Liabilities	15,582	44.1%	16,646	43.7%	1,063	106.8%	20,140	46.4%	3,494	121.0%
Fixed Liabilities	5,187	14.7%	3,850	10.1%	(1,336)	74.2%	510	1.2%	(3,340)	13.3%
Total Net Assets	14,565	41.2%	17,635	46.2%	3,070	121.1%	22,711	52.4%	5,075	128.8%
Non-consolidated B/S		(million yen)								
		FYE March 2006		FYE March 2007			FYE March 2008			
	Results	composition	Results	composition	+/-	YoY	Results	composition	+/-	YoY
Total Assets	34,649	100.0%	37,489	100.0%	2,839	108.2%	42,733	100.0%	5,244	114.0%
Current Assets	22,157	63.9%	22,041	58.8%	(116)	99.5%	25,638	60.0%	3,597	116.3%
Fixed Assets	12,492	36.1%	15,448	41.2%	2,956	123.7%	17,095	40.0%	1,647	110.7%
Current Liabilities	14,951	43.2%	16,021	42.7%	1,069	107.2%	19,453	45.5%	3,432	121.4%
Fixed Liabilities	5,177	14.9%	3,845	10.3%	(1,331)	74.3%	506	1.2%	(3,338)	13.2%
Total Net Assets	14,520	41.9%	17,622	47.0%	3,101	121.4%	22,773	53.3%	5,151	129.2%



2. Full term P/L results & forecasts (consolidated/non-consolidated)

Consolidated P/L

(million yen)

	FYE March 2007		FYE March 2008				FYE March 2009 (est)			
	results	vs Sales	results	vs Sales	+/- YoY	YoY	forecast	vs Sales	+/- YoY	YoY
Total Sales	60,959	100.0%	72,221	100.0%	11,262	118.5%	83,028	100.0%	10,806	115.0%
Gross Profit	33,072	54.3%	36,891	51.1%	3,819	111.5%	42,709	51.4%	5,817	115.8%
SGA Exp.	25,721	42.2%	31,960	44.3%	6,239	124.3%	38,457	46.3%	6,496	120.3%
Operating Inc.	7,350	12.1%	4,930	6.8%	(2,419)	67.1%	4,251	5.1%	(678)	86.2%
Non-operating Profit/Loss	(13)	0.0%	86	0.1%	100	-	3	0.0%	(83)	3.7%
Ordinary Inc.	7,337	12.0%	5,017	6.9%	(2,319)	68.4%	4,254	5.1%	(762)	84.8%
Extraordinary Profit/Loss	(1,112)	-1.8%	1,798	2.5%	2,911	-	(251)	-0.3%	(2,050)	-
Net Income	3,511	5.8%	3,800	5.2%	288	108.2%	1,822	2.2%	(1,977)	48.0%

Non-consolidated P/L

(million yen)

	FYE March 2007		FYE March 2008				FYE March 2009 (est)			
	results	vs Sales	results	vs Sales	+/- YoY	YoY	forecast	vs Sales	+/- YoY	YoY
Total Sales	58,666	100.0%	69,560	100.0%	10,893	118.6%	79,419	100.0%	9,858	114.2%
Gross Profit	31,752	54.1%	35,423	50.9%	3,670	111.6%	40,792	51.4%	5,369	115.2%
SGA Exp.	24,603	41.9%	30,686	44.1%	6,082	124.7%	35,958	45.3%	5,272	117.2%
Operating Inc.	7,148	12.2%	4,737	6.8%	(2,411)	66.3%	4,833	6.1%	96	102.0%
Non-operating Profit/Loss	7	0.0%	101	0.1%	94	1364.6%	66	0.1%	(35)	64.7%
Ordinary Inc.	7,156	12.2%	4,839	7.0%	(2,317)	67.6%	4,900	6.2%	60	101.3%
Extraordinary Profit/Loss	(1,084)	-1.8%	1,816	2.6%	2,901	-	(251)	-0.3%	(2,067)	-
Net Income	3,540	6.0%	3,875	5.6%	334	109.4%	2,714	3.4%	(1,160)	70.0%

3. Full term SGA expenses results & forecasts (non-consolidated)

(million yen)

	FYE March 2007	FYE March 2008		FYE March 2009 (est)	
	vs Sales	vs Sales	YoY	vs Sales	YoY
	Results	Results	+/- YoY	Forecast	+/- YoY
Total SGA Expenses	41.9% 24,603	44.1% 30,686	124.7% 6,082	45.3% 35,958	117.2% 5,272
Advertisement	1.6% 944	1.7% 1,183	125.4% 239	1.8% 1,394	117.8% 211
Personnel	14.2% 8,307	15.2% 10,592	127.5% 2,285	16.1% 12,797	120.8% 2,205
Rent	11.3% 6,646	11.9% 8,287	124.7% 1,640	12.2% 9,662	116.6% 1,374
Depreciation	1.1% 636	1.2% 854	134.3% 218	1.6% 1,264	147.9% 409
Others	13.8% 8,069	14.0% 9,768	121.1% 1,698	13.6% 10,839	111.0% 1,071
Non-operating P/L	0.0% 7	0.1% 101	- 94	0.1% 66	64.7% (35)
Non-operating profit	0.3% 197	0.4% 247	125.3% 49	0.2% 122	49.3% (125)
Non-operating loss	0.3% 189	0.2% 145	76.6% (44)	0.1% 56	38.5% (89)

4. SGA expenses in 1H/2H (non-consolidated)

	(million yen)			
	FYE Mar 2009 1H		FYE Mar 2009 2H (est)	
	vs Sales	YoY	vs Sales	YoY
	Results	+/- YoY	Forecast	+/- YoY
Total SGA Expenses	47.9%	118.1%	43.1%	116.4%
	16,963	2,600	18,995	2,672
Advertisement	1.9%	118.1%	1.7%	117.6%
	655	100	738	110
Personnel	17.3%	121.1%	15.1%	120.6%
	6,132	1,066	6,665	1,138
Rent	12.8%	124.1%	11.7%	110.7%
	4,522	877	5,139	497
Depreciation	1.6%	147.9%	1.6%	147.9%
	559	181	704	227
Others	14.4%	107.9%	13.1%	113.8%
	5,091	374	5,748	697
Non-operating P/L	0.1%	-	0.1%	44.4%
	41	(5)	24	(30)
Non-operating profit	0.3%	69.0%	0.1%	26.1%
	92	(41)	29	(83)
Non-operating loss	0.1%	58.5%	0.0%	9.3%
	50	(35)	5	(53)



5. Full term sales results & forecasts (consolidated/non-consolidated)

	FYE March 2007	FYE March 2008		(Mn yen)		
	results	results	+/- YoY	YoY	FYE March 2009 (est)	
					forecast	+/- YoY YoY
Consolidated Total Sales	60,959	72,221	11,262	118.5%	83,028	10,806 115.0%
Non-consolidated Total Sales	58,666	69,560	10,893	118.6%	79,419	9,858 114.2%
Business Unit Total	53,781	62,173	8,392	115.6%	69,988	7,815 112.6%
UA	32,071	35,118	3,046	109.5%	38,119	3,001 108.5%
GLR	11,728	13,264	1,535	113.1%	14,849	1,584 111.9%
CH	3,081	3,310	229	107.4%	4,285	974 129.4%
SBU and UA Labs	6,900	10,480	3,579	151.9%	12,734	2,254 121.5%
Outlet	4,885	7,387	2,501	151.2%	9,430	2,042 127.7%
Same store sales	101.5%	101.1%			100.0%	
UA	102.0%	99.3%			98.0%	
GLR	97.8%	96.8%			103.6%	
CH	99.3%	112.7%			98.9%	
SBU and UA Labs	108.5%	111.8%			102.6%	

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



6. 1H/2H sales results & forecasts (consolidated/non-consolidated)

	FYE March 2009 1H					FYE March 2009 2H (est)				
	1Q	2Q	1H	+/- YoY	YoY	3Q	4Q	2H	+/- YoY	YoY
Total Sales	17,954	17,437	35,391	4,957	116.3%	23,498	20,528	44,027	4,901	112.5%
Total Business Units	15,462	15,329	30,791	3,474	112.7%	20,707	18,489	39,197	4,341	112.5%
UA	8,371	8,160	16,531	967	106.2%	11,714	9,873	21,587	2,033	110.4%
GLR	3,580	3,221	6,802	1,257	122.7%	4,157	3,889	8,046	327	104.2%
CH	983	960	1,943	280	116.9%	1,348	993	2,341	694	142.2%
SBU and UALabs	2,527	2,986	5,513	968	121.3%	3,487	3,733	7,221	1,285	121.7%
Outlet	2,491	2,108	4,600	1,482	147.6%	2,790	2,039	4,830	560	113.1%
Same Store Sales	92.0%	102.3%	96.7%			103.4%	101.7%	102.6%		
UA	88.5%	100.2%	93.8%			102.6%	100.0%	101.4%		
GLR	100.4%	109.3%	104.2%			101.6%	104.9%	103.2%		
CH	104.1%	94.5%	98.8%			109.8%	79.6%	98.9%		
SBU and UALabs	88.3%	104.6%	96.2%			106.8%	107.9%	107.4%		



7. Same store sales by business (non-consolidated, YoY)

UA

	FYE Mar 2008			FYE Mar 2009		(by month)					
	2Q	3Q	4Q	1Q	2Q	Apr	May	Jun	Jul	Aug	Sep
Same store sales	97.4%	97.9%	92.7%	88.5%	100.2%	88.1%	93.1%	84.1%	101.6%	101.2%	98.1%
Sales by category at existing stores											
Men's	95.0%	95.2%	92.4%	88.2%	97.7%	86.8%	93.3%	84.7%	101.2%	99.8%	91.8%
Women's	98.3%	101.7%	93.2%	89.0%	104.5%	91.7%	93.5%	81.9%	104.5%	102.0%	106.0%
CHROME HEARTS	116.5%	106.9%	100.5%	79.1%	84.0%	74.2%	75.7%	86.9%	75.9%	100.8%	76.2%
Miscellaneous	105.7%	123.1%	121.3%	96.8%	109.8%	82.2%	107.8%	101.6%	110.2%	110.8%	108.7%
Number of customers	92.7%	94.3%	92.3%	88.7%	100.3%	88.5%	95.1%	83.0%	101.3%	100.3%	98.6%
Ave. customer spending	105.0%	103.8%	100.5%	99.7%	99.9%	99.6%	97.9%	101.3%	100.2%	100.8%	99.5%

GLR

	FYE Mar 2008			FYE Mar 2009		(by month)					
	2Q	3Q	4Q	1Q	2Q	Apr	May	Jun	Jul	Aug	Sep
Same store sales	89.3%	94.6%	98.4%	100.4%	109.3%	98.5%	103.4%	99.5%	112.7%	110.2%	104.4%
Sales by category at existing stores											
Men's	90.4%	99.0%	101.5%	96.0%	98.5%	95.4%	99.2%	93.8%	104.5%	92.0%	94.6%
Women's	89.0%	92.3%	97.0%	106.4%	119.5%	103.4%	109.7%	106.0%	121.0%	129.4%	111.8%
Miscellaneous	86.8%	83.1%	90.6%	97.1%	118.7%	92.0%	96.8%	102.6%	119.8%	121.9%	115.0%
Number of customers	90.4%	94.0%	101.7%	104.4%	114.8%	101.6%	106.6%	104.6%	123.2%	108.4%	106.0%
Ave. customer spending	98.8%	100.6%	96.7%	96.2%	95.2%	97.0%	97.0%	95.0%	91.5%	101.6%	98.5%

**CH**

	FYE Mar 2008			FYE Mar 2009		(by month)					
	2Q	3Q	4Q	1Q	2Q	Apr	May	Jun	Jul	Aug	Sep
Same store sales	109.3%	110.5%	124.5%	104.1%	94.5%	110.4%	107.6%	97.4%	89.6%	97.9%	96.9%
Number of customers	94.5%	103.9%	107.9%	91.9%	89.6%	97.7%	93.7%	86.9%	89.4%	96.5%	82.2%
Ave. customer spending	115.7%	106.3%	115.5%	113.2%	105.6%	112.9%	114.8%	112.1%	100.2%	101.5%	117.9%
*cf. Sales of CH including those sold at UA (YoY)											
Number of customers	113.4%	112.7%	100.6%	114.5%	106.6%	119.5%	113.4%	111.6%	101.2%	114.4%	104.7%
Ave. customer spending	110.8%	109.6%	115.5%	96.9%	91.9%	97.2%	98.8%	94.8%	86.2%	98.6%	91.6%

SBU and UA Labs

	FYE Mar 2008			FYE Mar 2009		(by month)					
	2Q	3Q	4Q	1Q	2Q	Apr	May	Jun	Jul	Aug	Sep
Same store sales	107.1%	112.6%	110.6%	88.3%	104.6%	87.9%	94.1%	83.5%	113.7%	97.0%	100.8%
Sales by category at existing stores											
Men's	140.2%	116.9%	141.4%	81.7%	92.5%	83.9%	87.0%	75.5%	90.3%	93.8%	93.9%
Women's	104.3%	107.6%	103.5%	87.9%	105.2%	88.2%	93.6%	82.7%	115.4%	96.6%	100.8%
Number of customers	107.6%	122.9%	118.9%	86.9%	108.0%	87.1%	94.6%	79.7%	116.7%	100.0%	101.3%
Ave. customer spending	99.5%	91.6%	93.1%	101.7%	96.9%	100.9%	99.4%	104.8%	97.4%	97.0%	99.5%

* Miscellaneous goods for SBU and UA Labs are not disclosed as the amount is small.

8. 1H store openings and CAPEX (non-consolidated)

	FYE March 2007 2Q	FYE March 2008 2Q	FYE March 2009 2Q
Number of store openings, employees, etc.			(term end stores)
Number of store openings	18	21	10 / 130
UA	6	6	6 / 39
GLR	2	5	0 / 36
CH	0	0	0 / 5
S.B.U. & UA Labs	10	10	4 / 50
Removal (inc. brand transfer)	3	1	7
Term end retail stores	94	124	130
Outlet stores	8	11	2 / 13
Term end employees	988	2,384	2,665
Term end part-timers	868	-	-
CAPEX and Depreciation			
Operating CAPEX	868	1,460	2,133
Land	-	-	-
Others	246	230	124
CAPEX Total	1,115	1,690	2,257
Guarantee Deposits	374	271	174
Depreciation (as of P/L)	287	378	559

* Part-time workers have been converted 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.

9. Full term store openings and CAPEX (non-consolidated)

	FYE March 2007	FYE March 2008	FYE March 2009 (est)
Number of store openings, employees, etc.			(/term end stores)
Number of store openings	32	34	20 / 140
UA	10	9	11 / 44
GLR	6	9	1 / 37
CH	0	2	0 / 5
S.B.U. & UA Labs	16	14	8 / 54
Removal (inc. brand transfer)	7	10	8
Term end retail stores	104	128	140
Outlet stores	10	11	4 / 15
Term end employees	1,114	2,567	2,901
Term end part-timers	980		
CAPEX and Depreciation			
Operating CAPEX	1,642	2,310	3,043
Land	-	-	-
Others	707	522	514
CAPEX Total	2,349	2,832	3,557
Guarantee Deposits	615	908	336
Depreciation (as of P/L)	636	854	1,264

* Part-time workers have been converted 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 fro FYE March 2008) and do not include those who are sent to subsidiaries.

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

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