UNITED ARROWS LTD.

Fiscal Year Ending March 2012
Third Quarter
Earnings Announcement

February 7, 2012

UNITED ARROWS LTD.

Contents

UNITED ARROWS LTD.

Note: In this earnings announcement, fractional sums less than one million are rounded down and percentages are 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 the date of this report, and therefore include risks and uncertainties. Actual earnings may differ materially from forecasts due to global economic trends, market conditions and other factors. Investors are asked to refrain from making investment decisions based solely on this document.

[Abbreviations]

UA/UNITED ARROWS, BY/BEAUTY & YOUTH UNITED ARROWS
GLR/UNITED ARROWS green label relaxing
CH/CHROME HEARTS
SBUs/Small Business Units
(Another Edition, Jewel Changes, Odette é Odile/Odette é Odile UNITED ARROWS, DRAWER, ARCHIPELAGO/ARCHIPELAGO UNITED ARROWS LTD., THE AIRPORT STORE/THE AIRPORT STORE UNITED ARROWS LTD., THE STATION STORE/THE STATION STORE UNITED ARROWS LTD., THE HIGHWAY STORE/THE HIGHWAY STORE UNITED ARROWS LTD.)
COEN/COEN CO., LTD.

PL Overview (Consolidated) 3Q Cumulative

UNITED ARROWS LTD.

Revenue and earnings growth; achieved a new high in ordinary income

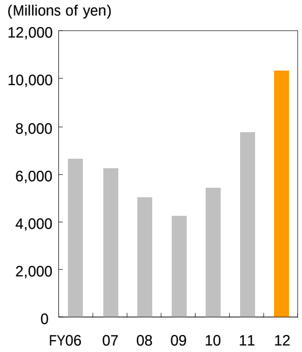
- Revenue growth on the back of robust new and existing store sales
- 0.9 of a percentage point YoY increase in the gross margin due mainly to an improvement in mark-down losses
- 1.2 percentage point YoY improvement in the SGA expenses to sales ratio through successful efforts to enhance cost efficiency

Note: Previous year: The Company incurred an extraordinary loss of ¥921 million following the application of the accounting standard on asset retirement obligations

(Millions of yen)

	Consolidated Results FY12 3Q (9 months cumulative)		YoY			
	Results	**vs. Sales**	Increase (Decrease)	YoY	Results	vs. Sales
Sales	**75,833**	**100.0%**	7,384	110.8%	68,449	100.0%
Gross Profit	**42,303**	**55.8%**	4,731	112.6%	37,572	54.9%
SGA Exp.	**32,035**	**42.2%**	2,325	107.8%	29,709	43.4%
Operating Inc.	**10,268**	**13.5%**	2,405	130.6%	7,862	11.5%
Non Op. P/L	**71**	**0.1%**	189	-	(118)	-0.2%
Ordinary Inc.	**10,340**	**13.6%**	2,595	133.5%	7,744	11.3%
Extraordinary P/L	**(274)**	**-0.4%**	967	-	(1,242)	-1.8%
Net Income	**5,620**	**7.4%**	1,629	140.8%	3,990	5.8%

■Trends in 3Q Cumulative Ordinary Income



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■PL Overview (Consolidated) 3Q Cumulative

Consolidated sales for the 3Q cumulative nine-month period from April 1, 2011 to December 31, 2011 of FY12, the fiscal year ending March 31, 2012 amounted to ¥75,833 million, an increase of 10.8% compared with the corresponding period of the previous fiscal year. This was largely attributable to contributions from newly opened stores and robust sales at existing retail and online stores.

The gross profit margin improved 0.9 of a percentage point year on year to 55.8%. Despite an increase in the disposal of merchandise including sample products, this improvement mainly reflected the decrease in total business unit mark-down losses on a non-consolidated basis.

The selling, general and administrative (SGA) expenses to total sales ratio declined 1.2 percentage points to 42.2%. While advertising expenses increased on the back of aggressive promotional measures, which included the use of such media as magazines advertisements and television commercials, as well as the publication of catalogues and other tools, this favorable result was primarily due to successful efforts to lift cost efficiency.

Operating income was ¥10,268 million, up 30.6% compared with the corresponding period of the previous fiscal year. Consolidated ordinary income again hit an historic high reaching ¥7,744 million, surpassing the previous record posted in FY11.(Please refer to the graph).

In the period under review, the Company incurred an extraordinary loss of ¥274 million, which included an impairment loss of ¥181 million on the relocation and renewal of stores. Net income, on the other hand, surged 40.8% compared with the corresponding period of the previous fiscal year to ¥5,620 million. This was mainly due to the absence of the extraordinary loss totaling¥921 million representing amortization of previous periods' asset retirement obligations following the adoption of the relevant accounting standard.

Reference: PL Overview Consolidated / Non-Consolidated

UNITED ARROWS LTD.

(Millions of yen)

	Consolidated Results FY12 3Q (9 months cumulative)				YoY		Non-Consolidated Results FY12 3Q (9 months cumulative)				YoY	
	Results	vs. Sales	Increase (Decrease)	YoY	Results	vs. Sales	Results	vs. Sales	Increase (Decrease)	YoY	Results	vs. Sales
Sales	**75,833**	**100.0%**	7,384	110.8%	68,449	100.0%	**71,246**	**100.0%**	6,600	110.2%	64,645	100.0%
Gross Profit	**42,303**	**55.8%**	4,731	112.6%	37,572	54.9%	**39,495**	**55.4%**	4,244	112.0%	35,250	54.5%
SGA Exp.	**32,035**	**42.2%**	2,325	107.8%	29,709	43.4%	**29,714**	**41.7%**	2,289	108.3%	27,425	42.4%
Operating Inc.	**10,268**	**13.5%**	2,405	130.6%	7,862	11.5%	**9,780**	**13.7%**	1,955	125.0%	7,824	12.1%
Non Op. P/L	**71**	**0.1%**	189	-	(118)	-0.2%	**85**	**0.1%**	150	-	(64)	-0.1%
Ordinary Inc.	**10,340**	**13.6%**	2,595	133.5%	7,744	11.3%	**9,865**	**13.8%**	2,105	127.1%	7,759	12.0%
Extraordinary P/L	**(274)**	**-0.4%**	967	-	(1,242)	-1.8%	**(270)**	**-0.4%**	994	-	(1,264)	-2.0%
Net Income	**5,620**	**7.4%**	1,629	140.8%	3,990	5.8%	**5,361**	**7.5%**	1,903	155.1%	3,457	5.3%

	Consolidated Results FY12 3Q (3 months)				YoY		Non-Consolidated Results FY12 3Q (3 months)				YoY	
	Results	vs. Sales	Increase (Decrease)	YoY	Results	vs. Sales	Results	vs. Sales	Increase (Decrease)	YoY	Results	vs. Sales
Sales	**30,472**	**100.0%**	3,410	112.6%	27,062	100.0%	**28,876**	**100.0%**	3,074	111.9%	25,802	100.0%
Gross Profit	**17,949**	**58.9%**	2,446	115.8%	15,502	57.3%	**16,938**	**58.7%**	2,246	115.3%	14,691	56.9%
SGA Exp.	**11,789**	**38.7%**	1,491	114.5%	10,298	38.1%	**10,956**	**37.9%**	1,329	113.8%	9,626	37.3%
Operating Inc.	**6,159**	**20.2%**	955	118.4%	5,204	19.2%	**5,981**	**20.7%**	916	118.1%	5,065	19.6%
Non Op. P/L	**28**	**0.1%**	55	-	(26)	-0.1%	**34**	**0.1%**	39	-	(5)	0.0%
Ordinary Inc.	**6,187**	**20.3%**	1,010	119.5%	5,177	19.1%	**6,016**	**20.8%**	956	118.9%	5,059	19.6%
Extraordinary P/L	**(80)**	**-0.3%**	(44)	-	(35)	-0.1%	**(80)**	**-0.3%**	(47)	-	(33)	-0.1%
Net Income	**3,373**	**11.1%**	(364)	90.2%	3,737	13.8%	**3,288**	**11.4%**	338	111.5%	2,949	11.4%

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■Reference: PL Overview Consolidated / Non-Consolidated
An explanation has been omitted.

Non-Consolidated Sales by Sales Channel

UNITED ARROWS LTD.

Robust existing retail store and online sales

- Retail: increase in revenue at new and existing retail stores
- Online: increase in revenue from online ZOZOTOWN, Amazon and own site sales
- Outlet: increase in revenue as new and strongly performing store sales more than offset the drop in sales attributable to the closure of stores

(Millions of yen)

	FY12 3Q (9 months cumulative)			FY12 3Q (3 months)		
	Results	Increase (Decrease)	YoY	Results	Increase (Decrease)	YoY
Non-Consolidated Sales	**71,246**	6,600	110.2%	**28,876**	3,074	111.9%
Total Business Unit Sales	**62,003**	6,555	111.8%	**25,224**	3,116	114.1%
Retail	**53,725**	5,356	111.1%	**21,782**	2,547	113.2%
Online	**7,604**	1,210	118.9%	**3,178**	564	121.6%
Outlet	**9,242**	44	100.5%	**3,651**	(42)	98.9%

(%)

	Trends in Existing Store Sales				
	1Q	2Q	3Q	2Q Cumulative	3Q Cumulative
Retail + Online Sales	113.6	104.5	108.7	109.2	109.0
Retail Sales	110.4	101.7	105.2	106.2	105.8
No. of Customers	106.0	95.5	101.6	100.7	101.0
Average Spend per Customer	104.2	106.5	103.6	105.5	104.7
Online Sales	141.1	125.5	134.1	133.1	133.5

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■Non-Consolidated Sales by Sales Channel

Total business unit sales in the 3Q cumulative nine-month period of FY12 climbed 11.8% compared with the corresponding period of the previous fiscal year mainly on the back of robust retail and online sales.

Retail sales increased 11.1% year on year. In addition to contributions from newly opened stores, this largely reflected strong sales at existing retail stores, which improved 5.8%.

Online sales were 18.9% higher than the level recorded in the corresponding period of the previous fiscal year. This was primarily due to the increase in revenue from existing sales of online stores including ZOZOTOWN, Amazon and own sites, which improved 33.5% year on year.

The overall year-on-year increase of 18.9% in online sales fell below the year-on-year upswing of 33.5% in existing online store sales. This was largely attributable to the drop in sales following the withdrawal from the Cath Kidston and TOKISHIRAZU businesses at the end of FY11. The effect of this withdrawal from certain businesses was to reduce retail, online and total business unit sales for the 3Q cumulative nine-month period of FY12 by ¥1,137 million, ¥861 million and ¥2,006 million, respectively.

In its outlet store activities, two stores were closed on a non-consolidated basis during FY11. The ensuing drop in sales was offset by increased revenue from newly opened stores and strong results from the Makuhari, Karuizawa, Gotemba and other stores. As a result, outlet store sales edged up 0.5% year on year.

Non-Consolidated Sales by Business Type

UNITED ARROWS LTD.

Increase in revenue due to robust existing store sales in each of the Group's three mainstay businesses

- Increase in revenues due to higher sales from UA and GLR's new retail stores as well as their other retail and existing online stores
- Increase in revenue due to strong existing CH retail store sales
- Despite a drop in revenue due to lower sales following the withdrawal from certain S.B.U. business during the previous period, retail + online existing store sales were strong

(Millions of yen)

	FY12 3Q (9 months cumulative)			FY12 3Q (3 months)		
	Results	Increase (Decrease)	YoY	Results	Increase (Decrease)	YoY
Total Business Unit Sales	**62,003**	6,555	111.8%	**25,224**	3,116	114.1%
UA	**32,695**	2,752	109.2%	**13,631**	1,215	109.8%
GLR	**15,493**	3,349	127.6%	**6,434**	1,619	133.6%
CH	**4,584**	949	126.1%	**1,647**	236	116.8%
SBUs	**9,230**	(496)	94.9%	**3,511**	44	101.3%

(%)

		Existing Store Sales YoY				
		1Q	2Q	3Q	2Q Cumulative	3Q Cumulative
UA	Retail + Online	112.0	103.3	104.2	107.9	106.3
GLR	Retail + Online	115.7	99.5	116.3	108.1	111.4
CH	Retail	132.4	129.8	114.4	131.1	125.2
SBUs	Retail + Online	106.7	103.3	111.5	104.9	107.3

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■Non-Consolidated Sales by Business Type

Revenue increased in each of the Group's three mainstay UNITED ARROWS (UA), green label relaxing (GLR) and CHROME HEARTS (CH) businesses due to robust existing retail and online store sales.

In the UA and GLR businesses, revenue grew due to higher contributions from new retail stores and strong sales at existing retail and online stores. The GLR business in particular experienced high rates of year-on-year existing retail and online store sales growth due to successful promotional measures implemented between September and November 2011.

CH existing store sales were firm. In addition to the rush in demand mainly for gold and silver accessories in the lead up to the revision of retail prices at the beginning of May and stable sales of such merchandise as apparel and accessories thereafter, results were buoyed by contributions from new products.

In the SBUs business, total results fell 5.1% compared with the corresponding period of the previous fiscal year. This reflected the drop in sales following the withdrawal from businesses during FY11. Existing retail and online store sales, on the other hand, were up 7.3% year on year.

Reference: Non-Consolidated Existing Store Sales by Business Type

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(%)

		Existing Store Sales YoY				
		1Q	2Q	3Q	2Q Cumulative	3Q Cumulative
UA	Retail + Online	112.0	103.3	104.2	107.9	106.3
	Retail	108.4	100.0	101.6	104.5	103.3
	Online	147.2	128.7	125.5	137.4	132.1
GLR	Retail + Online	115.7	99.5	116.3	108.1	111.4
	Retail	111.1	96.2	109.8	104.1	106.4
	Online	145.6	121.8	154.2	134.5	142.8
CH	Retail	132.4	129.8	114.4	131.1	125.2
SBUs	Retail + Online	106.7	103.3	111.5	104.9	107.3
	Retail	103.5	99.4	108.5	101.3	104.0
	Online	122.5	122.8	127.0	122.6	124.2

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■Reference: Non-Consolidated Existing Store Sales by Business Type
An explanation has been omitted.

Non-Consolidated Gross Margin

UNITED ARROWS LTD.

0.9 of a percentage point increase in the gross margin due mainly to an improvement in mark-down losses

- Positive factors : Improvement in total business unit sales mark-down losses; decline in the ratio of outlet sales to total sales
- Negative factors: Increase in the disposal of products that include other COGS

	FY12 3Q (9 months cumulative)		FY12 3Q (3 months)	
	Results	YoY	**Results**	YoY
Non-Consolidated Gross Margin	55.4%	0.9%	58.7%	1.7%
Total Business Unit Sales	59.4%	0.7%	61.5%	0.8%
Outlet	34.4%	1.9%	39.1%	6.1%
Other COGS (Millions of yen)	500	217	10	49

Note: Other COGS = loss on product devaluation, disposal costs, etc.

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■Non-Consolidated Gross Margin

For the period under review, the non-consolidated gross margin improved 0.9 of a percentage point year on year to 55.4%.

Despite the increase in merchandise disposal including sample products, the improvement in total business unit mark-down losses together with robust business unit sales led to a decline in the ratio of outlet sales to total sales. As a result, the non-consolidated gross margin steadily improved.

Non-Consolidated SGA Expenses

UNITED ARROWS LTD.

SGA expenses to sales ratio declined 0.7 of a percentage point.
This was largely due to improvements in cost efficiency on the back of robust sales

- Advertising expenses: Increase attributable to the active implementation of promotions including the placement of magazine and television commercial advertising, the publication of catalogues and other activities
- Personnel expenses : Increase in line with the increase in personnel resulting from the opening of stores
- Rent : Increase commensurate with new and existing store sales growth; decrease owing to the withdrawal from stores
- Other : Increase in donation in kind; decrease in outsourcing expenses related to wide-ranging business processes including distribution; decrease in utilities and other costs

(Millions of yen)

	Non-Consolidated Results FY12 3Q (9 months cumulative)				YoY		Non-Consolidated Results FY12 3Q (3 months)				YoY	
	Results	vs. Sales	Increase (Decrease)	YoY	Results	vs. Sales	Results	vs. Sales	Increase (Decrease)	YoY	Results	vs. Sales
Non-Consolidated Sales	**71,246**	**100.0%**	6,600	110.2%	64,645	100.0%	**28,876**	**100.0%**	3,074	111.9%	25,802	100.0%
SGA Expenses	**29,714**	**41.7%**	2,289	108.3%	27,425	42.4%	**10,956**	**37.9%**	1,329	113.8%	9,626	37.3%
Advertising Expenses	**1,542**	**2.2%**	493	147.1%	1,048	1.6%	**765**	**2.6%**	434	231.3%	330	1.3%
Personnel Expenses	**10,604**	**14.9%**	925	109.6%	9,678	15.0%	**3,648**	**12.6%**	343	110.4%	3,304	12.8%
Rent	**8,586**	**12.1%**	567	107.1%	8,019	12.4%	**3,310**	**11.5%**	339	111.4%	2,970	11.5%
Depreciation	**909**	**1.3%**	20	102.3%	889	1.4%	**322**	**1.1%**	15	105.0%	307	1.2%
Other	**8,072**	**11.3%**	282	103.6%	7,790	12.1%	**2,910**	**10.1%**	197	107.3%	2,713	10.5%

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■Non-Consolidated SGA Expenses

The SGA expenses to sales ratio declined 0.7 of a percentage point compared with the corresponding period of the previous fiscal year to 41.7%. This was largely due to improvements in cost efficiency on the back of robust sales.

Advertising expenses climbed 47.1% year on year owing mainly to the active implementation of promotions including the placement of magazine and television commercial advertising, the publication of catalogues and other activities.

Personnel expenses were 9.6% higher than the expenditure outlaid over the same period a year earlier. This reflected the increase in personnel resulting from the opening of new stores.

While rents decreased owing to such factors as the closure of stores, this was more than offset by the increase attributable to the opening of new stores and the increase in sales at existing stores. Taking each of the aforementioned into account, overall non-consolidated rent expense rose 7.1% compared with the corresponding period of the previous fiscal year.

Other SGA expenses increased 3.6% year on year. During the period under review, the increase in donation in kind was greater than the collective decline in outsourcing expenses resulting from the drop in inventory, utility costs on the back of measures aimed at conserving electricity and the introduction of LED lighting and other factors.

B/S Overview

UNITED ARROWS LTD.

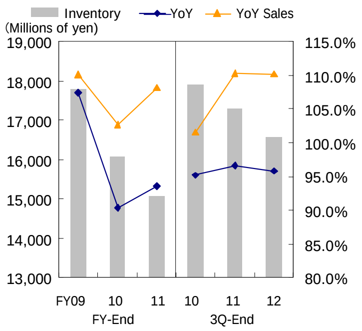
- Current assets : Increase in accounts receivable-other and inventory
- Noncurrent assets : Increase in buildings and structures commensurate with the opening of new stores; decrease in intangible concurrent assets
- Liabilities : Decrease in short-term loans payable due to debt refinancing with respect to a takeover bid involving treasury stock; increase in long-term loans payable
- Total net assets : Increase in retained earnings

Note: Non-consolidated inventory: 95.9% YoY. This was largely attributable to the withdrawal from certain businesses during the previous period and ongoing reductions in UA business type inventory

(Millions of yen)

	Consolidated FY12 3Q-End			Non-Consolidated FY12 3Q-End		
	Balance	Share	YoY	**Balance**	Share	YoY
Total Assets	**52,350**	100.0%	114.5%	**51,631**	100.0%	114.2%
Current Assets	**34,384**	65.7%	121.3%	**32,739**	63.4%	121.9%
Noncurrent Assets	**17,966**	34.3%	103.4%	**18,892**	36.6%	103.0%
Current Liabilities	**25,718**	49.1%	93.6%	**24,714**	47.9%	93.7%
Noncurrent Liabilities	**6,796**	13.0%	217.3%	**6,548**	12.7%	222.9%
Total Net Assets	**19,836**	37.9%	131.3%	**20,369**	39.5%	128.2%
Interest Bearing Debt	**12,937**	24.7%	80.2%	**12,937**	25.1%	81.7%

■ **Trends in Non-Consolidated Inventory**



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■Balance Sheet Overview as of December 31, 2011

Compared with the end of the previous fiscal year, current assets increased 21.3%. While deferred tax assets decreased ¥230 million, the upswing in current assets was mainly attributable to increases accounts receivable-other and inventory of ¥4,486 million and 1,872 million, respectively.

Noncurrent assets grew 3.4% compared with March 31, 2011. The principal increases were in buildings and structures of ¥629 million due mainly to the opening of new stores and guarantee deposits, which climbed ¥131 million. The major decrease in noncurrent assets was intangible noncurrent assets, which contracted ¥172 million.

Current liabilities declined 6.4% compared with the previous fiscal year-end and noncurrent liabilities surged 117.3%. Short-term loans payable decreased ¥8,400 million due to debt refinancing with respect to the purchase of treasury stock undertaken during the previous fiscal year. As a result of this refinancing, long-term loans payable climbed ¥3,420 million while current portion of long-term loans payable increased ¥1,784 million. Interest bearing debt stood at ¥12,937 million as of December 31, 2011, down 19.8% compared with the end of the previous fiscal year.

Net assets were 31.3% higher than the previous fiscal year-end. Retained earnings increased ¥5,620 million reflecting the net income for the period and declined ¥915 million due to the payment of dividends.

On a non-consolidated basis, the balance of inventory contracted 4.1% compared with the corresponding period of the previous fiscal year. This largely reflected the withdrawal from business during FY11 and progress in reducing the balance of inventory in the UA business.

C/F Overview

UNITED ARROWS LTD.

- Cash flows from operating activities: (Factors contributing to an increase) Increase in income before income taxes; (Factors contributing to a decrease) increase in notes and accounts receivable - trade ; Increase in inventory
- Cash flows from investing activities: (Factors contributing to a decrease) Purchase of property, plant and equipment
- Cash flows from financing activities: (Factors contributing to an increase) Increase in long-term loans payable; (Factors contributing to a decrease) Decrease in short-term loans payable; repayment of long-term loans payable

	FY12 3Q Results (9 months cumulative)	YoY
	Results	Results
Cash flows from operating activities	**6,031**	2,399
Cash flows from investing activities	**(2,087)**	(1,747)
Cash flows from financing activities	**(4,017)**	(968)
Increase / decrease in cash and cash equivalents	**(73)**	(316)
Cash and cash equivalents at the beginning of the term	**5,471**	4,061
Cash and cash equivalents at the end of the term	**5,398**	3,745

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■Cash Flow Overview

The balance of cash and cash equivalents as of the end of the 3Q of the fiscal year ending March 31, 2012 decreased ¥73 million compared with the previous fiscal year-end to ¥5,398 million.

Net cash provided by operating activities came to ¥6,031 million. The principal cash inflow was income before income taxes totaling ¥10,065 million. The major cash outflows were increase in notes and accounts receivable-trade of ¥4,443 million and increase in inventories of ¥1,872 million.

Net cash used in investing activities amounted to ¥2,087 million. This largely represented the purchase of property, plant and equipment of ¥1,581 million in line with such activities as the opening of new stores and renovation of existing stores.

Net cash used in financing activities was ¥4,017 million. During the period under review, long-term loans payable increased ¥8,000 million. Principal cash outflows, on the other hand, included a net decrease in short-term loans payable of ¥8,400 million and the repayment of long-term loans payable of ¥2,794 million.

Overview of the Opening and Closing of Stores

UNITED ARROWS LTD.

Efforts to strengthen the opening of new BY, GLR and COEN stores, each serving as a driver of growth

- FY12 3Q cumulative consolidated number of stores: Opened: 32; Closed: 4; Total number of stores at the end of the period: 234
- FY12 (full fiscal year) consolidated number of stores (planned): Opened: 35; Closed: 5; Total number of stores at the end of the period: 236

	FY12 3Q (9 months cumulative)				FY12 (Planned for the Full Term)				
	No. of stores at the beginning of the period	Opened	Closed	No. of stores at the end of the period	Opened Full Term	Opened 1H	Opened 2H	Closed	No. of stores at the end of the period
Total Consolidated	**206**	**32**	**4**	**234**	**35**	**16**	**19**	**5**	**236**
Total Non-Consolidated	**161**	**27**	**3**	**185**	**28**	**13**	**15**	**4**	**185**
UNITED ARROWS Total	50	9		59	9	4	5		59
UNITES ARROWS (General Merchandise Store)	11	1		12	1		1		12
UNITED ARROWS	15	1		16	1	1			16
BEAUTY & YOUTH	22	7		29	7	3	4		29
UA label Image Stores	2			2					2
green label relaxing	42	8	1	49	8	4	4	2	48
CHROME HEARTS	6	1		7	1		1		7
SBUs Total	48	7	1	54	8	4	4	1	55
Another Edition	14			14					14
Jewel Changes	6	2	1	7	2	2		1	7
Odette é Odile	19	2		21	2	1	1		21
DRAWER	5	1		6	1	1			6
Cross-Sales Type: ARCHIPELAGO	1			1					1
Cross-Sales Type: THE AIRPORT STORE	3			3					3
Cross-Sales Type: THE STATION STORE	0	1		1	2		2		2
Cross-Sales Type: THE HIGHWAY STORE	0	1		1	1		1		1
Outlet	15	2	1	16	2	1	1	1	16
FIGO CO., LTD.	11	1	1	11	1	1		1	11
COEN CO., LTD.	34	4		38	6	2	4		40

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■Overview of the Opening and Closing of Stores

Through the 3Q nine-month period cumulative of FY12, the UNITED ARROWS Group opened 32 new stores, while closing four stores for a consolidated total of 234 stores as of December 31, 2011. Focusing mainly on the BY, GLR and COEN businesses, which are positioned as key drivers of future growth, the Group opened stores in station and fashion buildings located in urban and surrounding areas.

For the full fiscal year, plans are in place to open 35 stores and close five stores for a total of 236 stores as of March 31, 2012 on a consolidate basis.

Reference: Overview with respect to the Opening and Closing of Stores

UNITED ARROWS LTD.

UNITED ARROWS LTD.

Month	Stores Opened and Closed	Store Name	Commercial Facility・Address
Apr.	Newly opened store	BY NAMBA STORE	NAMBA CITY (Osaka City, Osaka)
	Newly opened store	BY KOKURA STORE (*)	COLET IZUTSUYA (Kitakyusyu City, Fukuoka Prefecture)
	Newly opened store	GLR LALAPORT SHINMISATO STORE	LaLaport Shinmisato (Misato City, Saitama Prefecture)
	Newly opened store	GLR RINKU SENNAN STORE	AEONMALL RINKU SENNAN (Sennann City, Osaka)
	Newly opened store	JC NAMBA STORE	NAMBA CITY (Osaka City, Osaka)
	Newly opened store	JC KYOTO STORE	KYOTO MARUI (Kyoto City, Kyoto)
	Newly opened store	UA Outlet KOSHIGAYA STORE	LakeTown Outlet (Koshigaya City, Saitama Prefecture)
	Closed store	JC UMEDA STORE	BREEZE BREEZE (Osaka City, Osaka)
May	Newly opened store	UA LUCUA OSAKA WOMEN'S STORE	LUCUA osaka (Osaka City, Osaka)
	Newly opened store	BY KITASENJU STORE	LUMINE Kitasenju (Adachi-ku, Tokyo)
	Newly opened store	GLR LUMINE IKEBUKURO STORE	LUMINE Ikebukuro (Toshima-ku, Tokyo)
	Newly opened store	OEO LUCUA OSAKA STORE	LUCUA osaka, (Osaka City, Osaka)
Aug.	Newly opened store	DRW NAGOYA STORE	MIDLAND SQUARE (Nagoya City, Aichi Prefecture)
	Closed store	UA Outlet CHITOSE STORE	Chitose Outlet Mall Rera (Chitose City, Hokkaido)
Sep.	Newly opened store	GLR KOKUBUNJI L STORE	KOKUBUNJI L (Kokubunji City, Tokyo)
	Closed store	GLR SHIZUOKA PARCHE STORE	SHIZUOKA PARCHE (Shizuoka City, Shizuoka Prefecture)
Oct.	Newly opened store	UA YURAKUCHO STORE	LUMINE YURAKUCHO (Chiyoda-ku, Tokyo)
	Newly opened store	BY SHIZUOKA STORE	shinshizuoka CENOVA (Shizuoka City, Shizuoka Prefecture)
	Newly opened store	BY case KAGOSHIMA STORE (*)	Maruya gardens (Kagoshima City, Kagoshima Prefecture)
	Newly opened store	GLR shinshizuoka CENOVA STORE	shinshizuoka CENOVA (Shizuoka City, Shizuoka Prefecture)
	Newly opened store	GLR LUMINE YURAKUCHO STORE	LUMINE YURAKUCHO (Chiyoda-ku, Tokyo)
	Newly opened store	GLR WOMEN'S STORE SHIZUOKA PARCHE STORE	SHIZUOKA PARCHE (Shizuoka City, Shizuoka Prefecture)
	Newly opened store	OEO LUMINE YURAKUCHO STORE	LUMINE YURAKUCHO (Chiyoda-ku, Tokyo)
Nov.	Newly opened store	BY case SHONAN STORE	Terrace Mall Shonan (Fujisawa City, Kanagawa Prefecture)
	Newly opened store	GLR TERRACE MALL SHONAN STORE	Terrace Mall Shonan (Fujisawa City, Kanagawa Prefecture)
	Newly opened store	THE STATION STORE ECHIKA OMOTESANDO STORE	Echika OMOTESANDO (Minato-ku, Tokyo)
Dec.	Newly opened store	BY MATSUYAMA STORE	ANA HOTEL MATSUYAMA AVA (Matsuyama City, Ehime Prefecture)
	Newly opened store	CH KOBE STORE	BLOCK 30 (Kobe City, Hyogo Prefecture)
	Newly opened store	THE HIGHWAY STORE EXPASA EBINA STORE	EXPASA EBINA (Ebina City, Kanagawa Prefecture)
	Newly opened store	UA Outlet OKINAWA STORE	OKINAWA OUTLET MALL ASHIBINAA (Tomigusuku City, Okinawa Prefecture)

* Franchise store

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■Reference: Overview with respect to the Opening and Closing of Stores
An explanation has been omitted.

Reference: Overview with respect to the Opening and Closing of Stores

UNITED ARROWS LTD.

FIGO CO., LTD.

Month	Stores Opened and Closed	Store Name	Commercial Facility・Address
Jul.	Closed store	La Gazzetta 1987 & Felisi — YURAKUCHO HANKYU STORE	YURAKUCHO HANKYU (Chiyoda-ku, Tokyo)
Sep.	Newly opened store	Felisi Outlet — Nagashima	JAZZ DREAM NAGASHIMA (Kuwana City, Mie Prefecture)

COEN CO., LTD.

Month	Stores Opened and Closed	Store Name	Commercial Facility・Address
Mar.	Newly opened store	COEN FUTAKOTAMAGAWA DOGWOOD PLAZA STORE	Dogwood Plaza (Setagaya-ku, Tokyo)
May	Newly opened store	COEN KINSHICHO STORE	Termina (Sumida-ku, Tokyo)
Sep.	Newly opened store	COEN SHOBU STORE	Mallage Shobu (Kuki City, Saitama Prefecture)
Nov.	Newly opened store	COEN SHINSHIZUOKA STORE	shinshizuoka CENOVA (Shizuoka City, Shizuoka Prefecture)

* COEN CO., LTD. closes its accounts at the end of January each year. As a result, details for the opening and closing of stores for the third quarter cumulative cover the period from February 1, 2011 to October 31, 2011.

BY MATSUYAMA opened in December 2011

GLR TERRACE MALL SHONAN opened in November 2011

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■Reference: Overview with respect to the Opening and Closing of Stores
An explanation has been omitted.

Group Companies

UNITED ARROWS LTD.

FIGO CO., LTD.　Felisi

COEN CO., LTD.　coen

Increase in revenue and ordinary income

- Despite the impact of delays in delivery, robust directly operated existing retail store sales on the back of successful promotional initiatives
- Steps taken to rebuild the supply chain as a part of efforts to resolve issues relating to delays in delivery under the guidance of newly appointed president Iwaki

Return to the black on an ordinary income come

- Successful efforts to improve the precision and appeal of the company's product lineup by incorporating feedback from sales divisions and to raise product awareness resulting in strong existing store sales
- Active implementation of a store opening policy focusing primarily on urban and suburban fashion buildings and shopping centers as a means to develop businesses that are capable of driving medium-term growth

Felisi limited edition mobile tool cases
¥13,650 to ¥18,900 (tax included)

COEN SHINSHIZUOKA opened in October 2011

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■Group Companies

・FIGO CO., LTD.

FIGO CO., LTD. faced an uphill battle with respect to its wholesale sales due mainly to delays in the delivery of products. In addition to sales promotion initiatives encompassing mail magazines and a point card campaign, however, directly operated existing store sales were robust due to a variety of factors including the popularity of limited edition mobile tool cases for smart phones and tablet terminals. Accounting for each of the aforementioned, both revenue and ordinary income increased for the period under review. In June 2011, Tetsuya Iwaki was newly appointed as company president. Under his leadership, we have embarked on a process of sales and marketing reform while at the same time rebuilding our supply chain as a part of efforts to resolve the problem of delivery delay.

・COEN CO., LTD. (Account settlement: January)

COEN CO., LTD. took steps to harness the customer feedback gleaned from the Sales Division to provide products that are in high demand in a timely manner. At the same time, the company strove diligently to improve the accuracy of its product lineup. Complementing these endeavors, COEN CO., LTD. implemented a variety of sales campaigns in an effort to raise brand awareness. As a result, existing retail and online store sales were robust helping to boost revenue and to return the company's ordinary income to the black. UNITED ARROWS LTD. has positioned the COEN business as a business that is capable of driving medium-term growth. Over the 3Q cumulative nine-month period of FY12, the company actively opened new stores in urban and surrounding area fashion buildings and shopping centers. These included new stores in Futakotamagawa and Shinshizuoka.

Earnings Forecasts for the Full Fiscal 2012

UNITED ARROWS LTD.

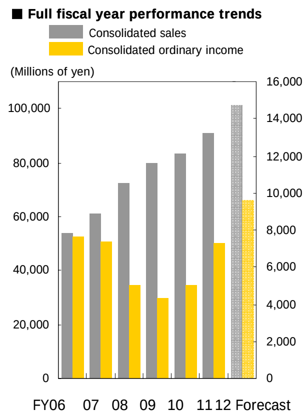
Consolidated sales in excess of ¥100 billion; growth in earnings to again record a historic consolidated ordinary income high

- Non-consolidated: Continued robust 3Q existing store sales; improvement in gross margin due mainly to the decrease in mark-down losses
- Consolidated: Strong COEN existing store sales

Upward revision of full Fiscal 2012 earnings forecasts undertaken on January 27, 2012

(Millions of yen)

	Consolidated Results Full FY12			FY11		Non-Consolidated Results Full FY12			FY11	
	Forecasts	vs. Sales	YoY	Results	vs. Sales	Forecasts	vs. Sales	YoY	Results	vs. Sales
Sales	101,272	100.0%	111.8%	90,571	100.0%	94,603	100.0%	111.2%	85,090	100.0%
Gross profit	55,028	54.3%	114.6%	48,001	53.0%	51,020	53.9%	114.1%	44,726	52.6%
SGA Exp.	45,477	44.9%	112.0%	40,617	44.8%	42,270	44.7%	112.4%	37,599	44.2%
Operating Inc.	9,550	9.4%	129.3%	7,384	8.2%	8,749	9.2%	122.8%	7,126	8.4%
Non Op. P/L	49	0.0%	-	(143)	-0.2%	64	0.1%	-	(65)	-0.1%
Ordinary Inc.	9,600	9.5%	132.6%	7,240	8.0%	8,814	9.3%	124.8%	7,061	8.3%
Extraordinary P/L	(375)	-0.4%	-	(1,312)	-1.4%	(371)	-0.4%	-	(1,325)	-1.6%
Net Income	5,167	5.1%	143.7%	3,596	4.0%	4,632	4.9%	158.7%	2,919	3.4%



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■Earnings Forecasts for Full Fiscal 2012

Taking into consideration continued robust non-consolidated existing store sales and improvements in mark-down losses together with ongoing strong existing store performances at subsidiary company COEN CO., LTD., UNITED ARROWS LTD. decided to upwardly revise its earnings forecasts for the full fiscal year ending March 31, 2012 on January 27, 2012.

Business results for the period under review are projected to surpass ¥100 billion for the first time. Under revised forecasts, consolidated sales are expected to reach ¥101,272 million, an increase of 11.8% compared with the previous fiscal year.

From a profit perspective, consolidated ordinary income is anticipated to again hit a record high totaling ¥9,600 million, up 32.6% year on year.

Reference: Fiscal2012 Non-Consolidated Sales Forecasts by Sales Channel and Business Type

UNITED ARROWS LTD.

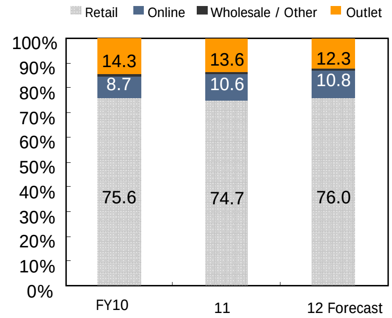
(Millions or yen)

	Full FY12		
	Forecasts	Increase (Decrease)	YoY
Non-Consolidated Sales	**94,603**	9,512	111.2%
Total Business Unit Sales	**82,976**	9,424	112.8%
Retail	**71,884**	8,289	113.0%
Online	**10,259**	1,261	114.0%
Outlet	**11,626**	87	100.8%
UA	**43,670**	4,268	110.8%
GLR	**20,915**	4,530	127.7%
CH	**5,843**	981	120.2%
SBUs	**12,546**	(357)	97.2%

(%)

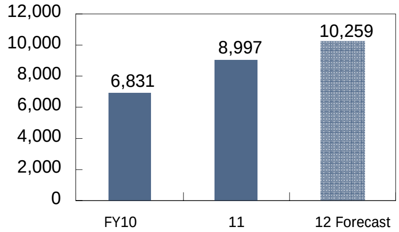
	Existing Store YoY Forecasts		
	Retail + Online	Retail	Online
Total Business Unit Sales	108.7	106.0	128.1
UA	106.6	104.1	126.6
GLR	111.0	106.8	136.1
CH	-	116.8	-
SBUs	108.7	106.2	120.7

■ Composition by Sales Channel



■ Trends in Online Sales

(Millions or yen)



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■Reference: Fiscal 2012 Non-Consolidated Sales Forecasts by Sales Channel and Business Type
An explanation has been omitted.

Progress in Addressing Priority Issues (1)

UNITED ARROWS LTD.

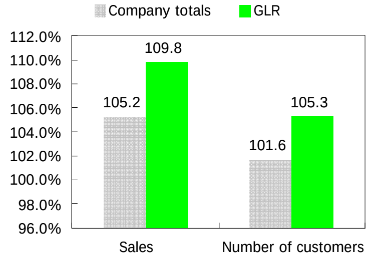
Non-consolidated priority issues (1):
Bolster the collaboration cycle between the product, sales and promotion divisions

- Products: Enhance private label brands development capabilities incorporating input from the sales division
- Sales: Strengthen store management and enhance products planning verification capabilities
- Promotion: Implement various promotional initiatives in collaboration with product planning; undertake new initiatives utilizing social media

e.g.) Cross media promotion in the women's GLR business

●October: cape coats; November: duffle coats
・Transit advertising: railway stations at Shibuya, Shinjuku, Shinagawa, Omiya and Yokohama
・Newspaper inserts: 1,420,000 copies nationwide
・Campaign sites
・Television commercials (October): Districts throughout Tokyo, Osaka, Nagoya and Fukuoka
・Outdoor screens (October): in front of Shibuya railway station

■3Q Retail Existing Store Sales, Number of Customers (YoY)




Transit advertising


Newspaper inserts


Campaign sites


Television commercials

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■Progress in Addressing Priority Issues in Fiscal 2012 (Non-Consolidated)

Priority issues on a non-consolidated basis are incorporated into the action plans of each business. Steps are then taken to confirm progress at regular monthly meetings.

・The first priority issue covers efforts to bolster the collaboration cycle between each of the product, sales and promotion divisions.

In the Product Division, we continue to raise the level of our private-label brand development capabilities that take into consideration feedback from the Sales Division. At the same time, weekly sales data is used to determine product mix accuracy and precision. Decisions on the need for additional inventory and measures aimed at minimizing opportunity loss are channeled toward maximizing sales.

In the Sales Division, efforts to strengthen store management have been linked to improving product planning verification capabilities. By conveying to the Product Division increasingly accurate information with respect to merchandise in high demand, we are raising the quality and level of our products.

For its part, the Promotion Division has implemented various initiatives in collaboration with product planning. These initiatives entail the use of various publications as well as media. We have pulled together plans for a large-scale promotion in the UA business in March 2012. We are now in the preparatory stages of implementation.

・Cross media promotion in the GLR business

During the 3Q of the fiscal year ending March 31, 2012, we undertook several large-scale promotional campaigns. Products covered included cape coats on October 2011 and duffle coats in November 2011.

Selecting Yuriko Yoshitaka, a popular personality, as the face of our visual campaign, we placed transit posters at major railway stations in Shibuya, Shinjuku, Shinagawa, Omiya and Yokohama, conducted a nationwide newspaper insert distribution initiative and are using such tools as campaign sites and Facebook. In addition to the aforementioned media, we aired a television commercial in districts throughout Tokyo, Osaka, Nagoya and Fukuoka in October 2011. As a part of our efforts to use a mix of wide-ranging media, this commercial was broadcast using large outdoor screens at the intersection in front of the Hachiko exit at Shibuya Station. Full use is also being made of posters, POP advertising, window displays and other in-store initiatives.

Leveraging these measures, energies are being channeled toward attracting more visitors to stores and boosting purchases. During the 3Q of the fiscal year under review, existing retail store sales in the GLR business climbed 9.8% compared with the corresponding period of the previous fiscal year. The number of customers visiting retail stores also increased 5.3% year on year. These results surpassed the company average for the quarter. Drawing from house card data analysis, this campaign helped to boost the number of new members and contributed to efforts aimed at reenergizing existing customers.

We plan to conduct further cross media promotions in the GLR business focusing on the spring and summer seasons in 2012.

Progress in Addressing Priority Issues (2)

UNITED ARROWS LTD.

Non-consolidated priority issues (2):
Enhance productivity and ensure diversified cost control

- Increase productivity by strengthening collaboration between related divisions and improving operating processes and practices

  UA : Increase productivity by strengthening head office management
  (continued progress in eliminating inventory discrepancies and reducing overtime)
  BY : Improve the precision of estimated demand taking into consideration requests from stores, response by industry and other participants as well as online advanced order results
  GLR: Increase store productivity (raise the level of visual merchandising; commence efforts to bolster recruiting using online tools)

- Implement cost control finely tuned to earnings

  - Reduction in SGA expenses to sales ratio by 0.7 percentage points due to improvements in cost efficiency

- Improve inventory efficiency by improving the planning accuracy of sales initiatives

  - Adhere strictly to a policy of proper pricing as well as sale and outlet sales ratio weekly management
  - 1.5 percentage point year-on-year improvement in the final sales ratio of autumn and winter items

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■Progress in Addressing Priority Issues in Fiscal 2012 (Non-Consolidated)

・The second priority issue revolves around efforts to enhance productivity and ensure diversified cost control.

Progress with respect to this issue is classified into three principal areas.

The first entails initiatives in mainstay businesses aimed at increasing productivity by strengthening collaboration between related divisions and improving operating processes and practices.

In the UA business, head office management has been strengthened in an effort to increase productivity. In specific terms, we have also made steady progress in eliminating inventory discrepancies as well as erroneous product labeling and reducing overtime.

In the BY business, steps have been taken to improve the precision of estimated demand by taking into consideration requests from stores, the response from industry participants in product exhibitions and the results of advance online orders. By steadfastly containing manufacturing and raw materials, we are also working to ensure stable delivery. After completing 2012 spring and summer season exhibitions in December, we are conducting meetings to attract advance spring online orders.

In the GLR business, we have worked to increase store productivity, implemented seminars and workshops to lift the level of visual merchandising at each store and are currently undertaking follow-up on an individual store basis. As a part of efforts to bolster the recruitment of sales staff, we have commenced hiring activities using sites devoted to admirers.

Each month forecasts are issued taking into account the implementation of cost controls finely tuned to earnings. This has helped in improving cost efficiency in the 3Q. As a result, the SGA expenses to sales ratio declined 0.7 of a percentage point year on year on a non-consolidated basis.

Turning to initiatives aimed at enhancing inventory efficiency by improving the planning accuracy of sales, weekly meetings based on the merchandising platform are held. As a result of managing proper pricing as well as the sales and outlet store sales ratios by business and product category, the final sales ratio including outlet sales for the autumn and winter seasons of 2011 improved 1.5 percentage points compared with the corresponding period of the previous fiscal year.

Progress in Developing New Channels (1)

UNITED ARROWS LTD.

THE STATION STORE UNITED ARROWS LTD.

・ECHIKA OMOTESANDO STORE opened in November 2011 (located within Omotesando Station on the Tokyo Metro Subway Line)

・Sales composition: Apparel 30%; Miscellaneous items 50%; Urgent demand 20%

・Customer base
Female office workers commuting to work; surrounding residents
Average spend per customer approximately ¥3,000
The number of purchasing customers per month more than three times higher than the average per SBUs store (December result)

・Features
- Significant customer awareness and recognition as a UA Group store
- High demand particularly for purchases that reflect urgent demand (umbrellas on rainy days; stoles, stockings and related items on cold days)

・Issues
- Develop products that address changes in weather conditions
- Address demand from men for mainly gift items

* Plans to open the Echika fit Tokyo in February 2012 (to be located within Tokyo Station on the Tokyo Metro Subway Line)

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■Progress in Developing New Sales Channels (1)

The Company is aggressively entering new sales channels by utilizing such media as the Internet and television while locating stores within airport facilities, railway stations and along expressways. We are placing particular emphasis on opening new stores in markets that we consider offer significant potential. This includes the traffic channel that has the ability to attract high customer volumes. Recently, our traffic channel efforts have focused on the airport market, the railway station market, in which we are working to open new stores and the service and parking areas along expressways, which are playing an increasingly important role as locations for new entertainment.

・THE STATION STORE UNITED ARROWS LTD.

The ECHIKA OMOTESANDO STORE, located within Omotesando Station on the Tokyo Metropolitan Subway Line, was opened as our first store located in commercial space within a railway station, in November 2011.

This store is looking to attract as many of the 140,000 commuters that pass through Omotesando Station on a daily basis as possible. The store's principal customer base comprises female office workers commuting to work, not to mention local residents. Customers include those who are already familiar with the Company's brands. We are also seeing the initial signs of an increase in repeat customers.

Every effort is being made to increase the share of low priced miscellaneous items with the aim of ensuring and boosting affordable purchases. While at around ¥3,000 the average spend per customer is lower than the overall level for UNITED ARROWS LTD. stores, results for the month of December 2011 indicate that the number of purchasing customers is more than three times higher than the monthly average for SBU retail stores.

(Continued on the following page)

Progress in Developing New Channels (1)

UNITED ARROWS LTD.

THE STATION STORE UNITED ARROWS LTD.

・ECHIKA OMOTESANDO STORE opened in November 2011 (located within Omotesando Station on the Tokyo Metro Subway Line)

・Sales composition: Apparel 30%; Miscellaneous items 50%; Urgent demand 20%

・Customer base
Female office workers commuting to work; surrounding residents
Average spend per customer approximately ¥3,000
The number of purchasing customers per month more than three times higher than the average per SBUs store (December result)

・Features
- Significant customer awareness and recognition as a UA Group store
- High demand particularly for purchases that reflect urgent demand (umbrellas on rainy days; stoles, stockings and related items on cold days)

・Issues
- Develop products that address changes in weather conditions
- Address demand from men for mainly gift items

* Plans to open the Echika fit Tokyo in February 2012 (to be located within Tokyo Station on the Tokyo Metro Subway Line)

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■Progress in Developing New Sales Channels (1)
・THE STATION STORE UNITED ARROWS LTD.

(Continued from the previous page)

From a merchandise perspective, products featured are mainly apparel and miscellaneous items. Looking at the composition of store sales, apparel, miscellaneous items and urgent demand account for 30%, 50% and 20% respectively, of the total. Mainstay apparel items are knitwear and one-piece items, while miscellaneous items include mufflers, stoles, socks and accessories. On rainy days, umbrellas are necessarily a high-demand item with sales of such functional items as underwear, stoles and stockings increasing as temperatures fall. On days when weddings are held in neighboring areas, gratuity bags and envelopes are a high moving item. This again reflects the high composition of urgent demand items. Men's miscellaneous apparel and other items primarily include bags and other gifts. Looking ahead, we plan to expand our lineup of men's items.

In an effort to address pending issues, we are currently considering a host of initiatives. Working to lift the average spend per customer by increasing the volume of apparel sales, we will look to modify stores and processes in line with shifts in temperatures and weather conditions and to maintain a sense of freshness by revamping store displays every two weeks.

As a part of efforts to expand our network, we plan to open a second store. Accordingly, the Echika fit Tokyo store is scheduled to open within Tokyo Station along the Tokyo Metropolitan Subway Line on February 20, 2012.

Progress in Developing New Sales Channels (2)

UNITED ARROWS LTD.

THE HIGHWAY STORE UNITED ARROWS LTD.

・EXPASA EBINA STORE opened in December 2012 (located at the Ebina SA Bound for Tokyo, Tomei Expressway)

・Sales composition: Men's 25%; Women's 25%; Kids 25%;
Miscellaneous items 25%

・Customer base
Mainly families in the 30s demographic; through to customers in their 60s to 70s
Average spend per customer approximately ¥2,700
The number of purchasing customers for the two-week period in December 2.8 times higher than the average per SBUs store

・Features
- Overwhelming number of customers entering stores; appeal among a wide customer base
- Limited customer awareness and recognition as a UA Group store
- High demand for gifts and souvenirs; logo products extremely popular

・Issues
- High number of purchasing customers; efficient inventory management to address the high number of items; store management and operations

* Plans to open the NEOPASA SHIMIZU STORE in April 2012 (to be located in the Shimizu PA, New Tomei Expressway)

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■Progress in Developing New Sales Channels (2)

・THE HIGHWAY STORE UNITED ARROWS LTD.

The inaugural EXPASA EBINA STORE, located at the Ebina Service Areas bound for Tokyo on the Tomei Expressway, was opened on December 15, 2011.

Ideally located toward the front of the food court, the store is positioned in an area that attracts high foot traffic. The daily average on weekdays is around 4,000 rising to 6,000 on weekends and public holidays. Boasting a wide customer base, the store's target market ranges from families in the 30s demographic to customers in their 60s and 70s. We are also seeing purchases from customers who are unfamiliar with the the Company's brands. At approximately ¥2,700, the average pend per customer is low for UA Group stores. After a mere two weeks of operation in December, however, the number of purchasing customers was 2.8 times higher than the average per SBU store.

The product lineup is mainly comprised of GLR items as well as private label THE HIGHWAY STORE merchandise. The composition of sales is generally 25% men's, 25% women's, 25% kids and 25% miscellaneous items. Focusing mainly on gifts and souvenirs, around 50 to 60% of total sales are products that display the store's logo.

Looking ahead, we will work to address several pertinent issues. These include putting in place a store operating structure and systems that are capable of accommodating the high number of purchasing customers. We are also currently considering specific systems that are designed to enhance inventory management efficiency. This is essential for a store format that is distinguished by its high number of items. At the same time, we will endeavor to boost store logo products. Conditions over the recent short period of operations were extremely favorable. Results were greatly supported by the high number of expressway users over Christmas and New Year period. Accordingly, we will continue to monitor trends over an extended period.

Coinciding with the opening of a new commercial facility on the New Tomei Expressway, plans are in place to open a second store and adjoining caf?. This second store, the NEOPASA SHIMIZU STORE will open on April 14, 2012.