



UNITED ARROWS LTD.

December 26, 2007

Order to Cease and Desist received from the Japan Fair Trade Commission

UNITED ARROWS LTD. today received an Order to Cease and Desist from the Japan Fair Trade Commission with regard to the mislabeling of materials used in six types of stoles sold at Jewel Changes stores in Shinjuku, Roppongi Hills, Fukuoka SOLARIA PLAZA, and via the internet through ZOZO TOWER. The order was received under Article 1, Paragraph 1, Item 1 of the Law for Preventing Unjustifiable Lagniappes and Misleading Representation.

UNITED ARROWS LTD. is attending to this matter with the utmost sincerity, and in order to prevent any recurrence will take measures to improve internal systems relating to the confirmation of product quality and materials labeling, while also conducting training on relevant laws and regulations for purchasing officers and other staff.

UNITED ARROWS LTD. moved quickly to make a report on the products to the Ministry of Economy, Trade and Industry and the Japan Fair Trade Commission, and on September 12, 2007 halted sale of the mislabeled products. On October 10, 2007 the company presented relevant information to consumers via the company website and newspaper advertisements, with products being retrieved and purchase costs refunded.

Details of the product retrieval and refund initiative may be found at:

www.united-arrows.co.jp/info/071010.html (Japanese language)

UNITED ARROWS LTD. wishes to apologize sincerely to our customers for the inconvenience caused by this situation, and is strengthening product quality control systems and procedures to prevent recurrence.