



UNITED ARROWS LTD.

December 24, 2010

Notice Concerning Partial Withdrawal of Business

UNITED ARROWS LTD. hereby announces partial withdrawal of business, resolved at the meeting of the Board of Directors held on December 24, 2010 as described below.

1. Summary of business to be withdrawn

• TOKISHIRAZU

Summary of business	Planning private label products, purchasing designer products and selling apparel and miscellaneous goods for men
Start of business	February 2002
Number of stores	Direct store: 1, Online store: 2 (as of December 2010)
Total Sales	¥674 million (as of FYE March 2010) ¥323 million (as of interim of FYE March 2011)

2. Reason of withdrawal

One of our business strategies, the Multibrand strategy is to develop new business on a cross-organizational basis in order to enhance market coverage. New businesses are tested at our experimental stores known as UA Lab, in order to examine their market potential. By strategically investing from the early stage in businesses we judge to have great market potential, we are able to achieve optimal resource allocation. Also, we regularly make adjustments to our business portfolio through multifaceted analysis of profitability, growth and brand images. Investments are made according to which of these take priority.

TOKISHIRAZU is a men's shop, started in February 2002 as UA Lab, which undertakes a role of a bridge between high fashion and street fashion based on the key word, *High Street*. We decided to withdraw from the business since we found its growth potential are uncertain and it would be difficult to turn profitable.

Considering future business environments, we will continue to examine other business as well to improve profitability.

3. Schedule of withdrawal

December 24, 2010	Resolution at Board Members Meeting
Middle of March 2011	Close 1 direct store (est.)
March 31, 2011	Close 2 online stores (est.)

4. Future outlook

TOKISHIRAZU accounted for 0.8% of consolidated total sales as of fiscal year ended 2010 and as of interim of fiscal year ending March 2011. Regarding an impact that will derive from the withdrawal on business results of the current fiscal year will be marginal.