



UNITED ARROWS LTD.

April 23, 2010

## Notice Concerning Dissolution of Subsidiary PERENNIAL UNITED ARROWS CO., LTD.

UNITED ARROWS LTD. hereby announces the dissolution of subsidiary PERENNIAL UNITED ARROWS CO., LTD. resolved at the meeting of the Board of Directors held on April 23, 2010, as described below.

### 1. Reason of dissolution

PERENNIAL UNITED ARROWS CO., LTD. (PERENNIAL) has been operating a unique women's brand FRANQUEENSENSE, but as market environment including that of department stores have been unstable, we came to a conclusion that it would be difficult to continue business and have decided to dissolve PERENNIAL.

### 2. Summary of business to be dissolved

(1) Name	PERENNIAL UNITED ARROWS CO., LTD.
(2) Place	8-1-19 Akasaka, Minato-ku, Tokyo
(3) Representatives	Osamu Shigematsu, Chairman & President
(4) Business outline	Design and sell women's apparel and miscellaneous goods at retail stores
(5) Capital	¥100 million
(6) Date of establishment	August 24, 2007
(7) Shareholder	100% owned by UNITED ARROWS LTD.
(8) Relationship with listed company	
Capital:	100% subsidiary
Personnel:	3 concurrent directors
Business:	Debt guarantee, sourcing products to UNITED ARROWS LTD. and outsourcing service
Related parties:	Consolidated subsidiary of UNITED ARROWS LTD.

### 3. Business performance and financial conditions in the past three years (in ¥)

Fiscal year	FYE Jan 2008	FYE Jan 2009	FYE Jan 2010
Net Assets	19 million	(447 million)	1,178 million
Total Assets	72 million	546 million	373 million
Net Assets per share	9,786	(223,762)	(589,191)
Net Sales	0 million	129 million	613 million
Operating Profit	(80 million)	(458 million)	(582 million)
Ordinary Profit	(80 million)	(466 million)	(589 million)
Net Income	(80 million)	(467 million)	(730 million)
Net Income per share	(40,213)	(233,548)	(365,429)
Dividend per share	-	-	-

#### 4. Schedule of dissolution and liquidation

August 2010	Resolution on dissolution at PERENNIAL's special meeting of shareholders
November 2010	Complete liquidation

#### 5. Future outlook

Regarding expected loss that will derive from the dissolution of PERENNIAL for fiscal year ended March 2010, on a consolidated basis, there will be addition to loss provision due to store closure (¥418 million) which will be posted as extraordinary loss. On a non-consolidated basis, valuation loss on stocks of affiliated companies (¥100 million) and addition to loss provision on debt guarantee of PERENNIAL (¥1,736 million) will be posted as extraordinary loss. For details of earnings forecast of fiscal year ended March 2010, please look at "Notice Concerning Posting of Extraordinary Loss and Revision of Earnings Forecast" which has been announced separately today.

All FRANQUEENSENSE stores operated by PERENNIAL will be closed by fall 2010, but the brand will continue to exist and items of the FRANQUEENSENSE brand will be sold at UNITED ARROWS stores.