



April 28, 2009

Notice Concerning Posting of Extraordinary Loss and Revision of Earnings Forecast

UNITED ARROWS LTD. hereby announces the posting of extraordinary loss as below for fiscal year ended March 2009 (from April 1, 2008 to March 31, 2009). Additionally, we have revised earnings forecasts which were previously announced on November 12, 2008 reflecting changes stated below.

1. Posting of Extraordinary Loss

Considering recent sales conditions, total extraordinary loss of ¥807 million is expected to be posted at the term end. Asset groups (total 20 stores) have continued to post loss from operating activities or are having difficulty in recovering existing investment due to store transfers, etc, therefore impairment loss need to be posted according to the accounting standards for impairment of fixed assets. For reference, impairment loss of total ¥212 million is expected to be posted in the third quarter of the fiscal year ended March 2009, and total annual impairment loss at the term end is expected to reach ¥1,020 million.

2. Revision of earnings forecast

1) Revision of Consolidated Forecasts of FYE March 2009 (from April 1, 2008 to March 31, 2009)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share
Previous forecast (A)	83,028	4,251	4,254	1,822	42.65
Current forecast (B)	79,665	4,319	4,283	1,274	30.19
Change in amount (B-A)	(3,362)	67	28	(548)	-
Change in percentage (%)	(4.0)	1.6	0.7	(30.1)	-
For reference Previous results (FYE March 2008)	72,221	4,930	5,017	3,800	90.59

2) Revision of Non-consolidated Forecasts of FYE March 2009 (from April 1, 2008 to March 31, 2009)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share
Previous forecast (A)	79,419	4,833	4,900	2,714	63.54
Current forecast (B)	76,582	4,838	4,866	2,074	49.14
Change in amount (B-A)	(2,836)	4	(33)	(640)	-
Change in percentage (%)	(3.6)	0.1	(0.7)	(23.6)	-
For reference Previous results (FYE March 2008)	69,560	4,737	4,839	3,875	92.38

3. Reasons of revision

Although consolidated net sales was short of forecast by 4.0% due to sluggish sales of expensive items such as business suits and outer wears in the UNITED ARROWS business, consolidated operating profit and consolidated ordinary profit is expected to marginally exceed forecasts (1.6% and 0.7%, respectively). On the other hand, as stated above, impairment loss of ¥1,020 million is expected to be posted as extraordinary loss, thus consolidated net sales is to decline by 30.1% compared to forecasts to ¥1,274 million.

Additionally, we forecast consolidated gross profit of ¥40,647 million, short of forecast by 4.8% or ¥2,062 million, and consolidated selling, general and administrative expenses of ¥36,327 million, short of forecast by 5.5% or ¥2,130 million. We also forecast non-consolidated gross profit of ¥38,965 million, short of forecast by 4.5% or ¥1,826 million and non-consolidated selling, general and administrative expenses of ¥34,127 million, short of forecast by 5.1% or ¥1,831 million.

4. Other information

At present, there are no changes in dividend forecast for fiscal year ended March 2009.

(Interim: ¥10, term end: ¥15, total annual: ¥25)