



UNITED ARROWS LTD.

May 14, 2007

Notice Concerning Abolition of Retirement Benefits for Directors and Revision of Bonuses for Directors

UNITED ARROWS LTD. hereby announces abolition of retirement benefits for Directors and revision of bonuses for Directors in order to raise morale of Directors to improve corporate value and clarify management responsibilities.

1. Abolition of Retirement Benefits for Directors

Retirement benefits paid to Directors will be abolished at the annual general shareholders' meeting due on June 25, 2007. Retirement benefits for the period being held the post of a Director (until the day of the shareholders' meeting), will be paid to each Director at the point of retirement, if approved at the annual general shareholders' meeting.

2. Revision of Bonuses for Directors

Bonuses paid to Directors will be revised from July 2007 to further reflect business performance to bonuses. Additionally, a part of bonuses will be paid to the Directors' stock ownership plan to further promote share repurchase. Through these revisions, we will increase stakeholder value by raising morale of Directors to improve corporate value and clarify management responsibilities.