



UNITED ARROWS LTD.

May 29, 2006

Notice Concerning Dissolution of Affiliated Company

UNITED ARROWS LTD. hereby announces dissolution of affiliated company Complice Ltd., resolved at the meeting of the Board of Directors held on May 29, 2006, as described below.

1. Summary of affiliated company to be dissolved

Name	Complice Ltd.
Place	6-27-8 Jingumae, Shibuya-ku, Tokyo
Chairman	Koji Tagami
Establishment	June 1, 2004
Business outline	Manufacturing, selling, importing / exporting apparel goods and miscellaneous goods
Capital	10 million yen
Ownership	50%

2. Reason for dissolution

UNITED ARROWS LTD. established Complice Ltd. in order to gain a new production background, but found it would be difficult to gain profit in the coming future due to fierce competition among other customers.

UNITED ARROWS LTD. expects to resolve the dissolution of Complice Ltd. at the annual shareholders' meeting expected in July 2006, and start liquidation procedure after obtaining approval.

3. Affect to business results of UNITED ARROWS LTD.

As reserve has been booked for Complice Ltd. during fiscal year March ended 2006 (from April 1, 2005 to March 31, 2006), there will be limited affect to the business results of UNITED ARROWS LTD. in fiscal year March ended 2007 (April 1, 2006 to March 31, 2007).