



UNITED ARROWS LTD.

October 23, 2009

### Notice Concerning Revision of Earnings Forecast

UNITED ARROWS LTD. hereby announces revision of earnings forecasts (previously announced on May 12, 2009) reflecting changes in recent business conditions, as below.

Revision of Consolidated Forecasts for the first half of FYE March 2010 (from April 1, 2009 to September 30, 2009)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net Income per share
Previous forecast (A)	38,471	1,170	1,079	359	8.41
Revised forecast (B)	38,196	1,594	1,643	618	14.66
Change in amount (B-A)	(275)	424	564	259	-
Change in percentage (%)	(0.7)	36.3	52.3	72.2	-
For reference: Previous results (1H of FYE March 2009)	36,669	854	863	165	3.93

Revision of Non-consolidated Forecasts for the first half of FYE March 2010 (from April 1, 2009 to September 30, 2009)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net Income per share
Previous forecast (A)	35,895	1,580	1,534	777	18.20
Revised forecast (B)	36,234	2,053	2,124	1,167	27.67
Change in amount (B-A)	339	473	590	390	-
Change in percentage (%)	0.9	30.0	38.5	50.2	-
For reference: Previous results (1H of FYE March 2009)	35,391	1,005	1,047	447	10.61

#### Reasons of revision

During the first half of the current fiscal year ending March 2010, although sales of consolidated subsidiaries were short of forecasts, sales of UNITED ARROWS LTD. were stronger than expected as sales in September (especially during national holiday "Silver Week") covered the sluggish sales during the latter half of spring/summer season. As a result, consolidated sales are expected to be short of forecasts by 0.7% but non-consolidated sales are to be higher than forecasts by 0.9%. Consolidated gross profits are expected to be lower than forecasts as sales were weak and mark down increased in stores operated by UNITED ARROWS LTD. On the other hand, consolidated selling, general and administrative expenses are expected to fall short of forecasts by ¥585 million due to cost reductions carried out during the first half of the current fiscal year ending March 2010. As a result, operating profit, ordinary profit and net income on both consolidated and non-consolidated basis during the first half of the current fiscal year ending March

2010 are expected to be higher than forecasts.

For reference, during the first half of the current fiscal year ending March 2010, consolidated gross profits are expected to be ¥19,541 million, short of forecasts by 0.8% or ¥161 million, and consolidated selling, general and administrative expenses are to be ¥17,946 million, short of forecasts by 3.2% or ¥585 million. Non-consolidated gross profits are expected to be ¥18,484 million, short of forecasts by 0.0% or ¥5 million, and non-consolidated selling, general and administrative expenses are to be ¥16,430 million, short of forecasts by 2.8% or ¥479 million.

Although we have revised our forecasts for the first half of the current fiscal year ending March 2010, we will not revise our forecasts for the full fiscal year as business environment remains uncertain.

#### Dividend Payment

At present, there are no changes in dividend forecasts for fiscal year ending March 2010.

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

#### [Cautionary Statement]

Forecasts mentioned above have been made based on information obtainable at present, and are subject to change due to various reasons.