



October 29, 2010

Notice Concerning Revision of Earnings Forecast

UNITED ARROWS LTD. hereby announces revision of earnings forecasts for the first half of fiscal year ended March 2011 (previously announced on August 5, 2010) reflecting changes in recent business conditions, as below.

Revision of earnings forecast

Revision of Consolidated Forecast for the first half of FYE March 2011 (from April 1, 2010 to September 30, 2010)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	41,836	2,021	1,968	(236)	(5.53)
Current forecast (B)	41,387	2,657	2,566	253	5.99
Change in amount (B-A)	(449)	636	598	489	-
Change in percentage (%)	(1.1)	31.5	30.4	-	-
For reference Previous results (1H of FYE March 2010)	38,196	1,594	1,642	618	14.65

Revision of Non-consolidated Forecast for the first half of FYE March 2011 (from April 1, 2010 to September 30, 2010)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	39,122	2,363	2,345	252	5.90
Current forecast (B)	38,843	2,759	2,700	507	12.03
Change in amount (B-A)	(279)	396	354	255	-
Change in percentage (%)	(0.7)	16.8	15.1	101.5	-
For reference Previous results (1H of FYE March 2010)	36,234	2,053	2,123	1,167	27.65

Reasons of revision

Consolidated net sales were short of forecasts since historically hot weather in August and September slowed down the sales of fall items such as outer wears etc. Consolidated gross profits were higher than forecasts due to implementation of product platform in UNITED ARROWS LTD., which ensure a streamlined approach to product purchasing and manufacturing as well as inventory reduction improved profitability both in regular and outlet stores. Consolidated selling, general and administrative expenses were lower than forecasts due to cost reduction throughout the company.

For reference, during the first half of the current fiscal year ending March 2011, consolidated gross profits are expected to be ¥22,069 million, higher than forecasts by 0.7% or ¥149 million, and consolidated selling,

general and administrative expenses are to be ¥19,411 million, short of forecasts by 2.4% or ¥487 million.

Non-consolidated gross profits are expected to be ¥20,558 million, higher than forecasts by 0.3% or ¥60 million and non-consolidated selling, general and administrative expenses are to be ¥17,798 million, short of forecasts by 1.9% or ¥336 million.

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 2011 are expected to be higher than forecasts.

Although we have revised our forecasts for the first half of the current fiscal year ending March 2011, we will not revise our forecasts for the full fiscal year as business environment remains uncertain.

At present, there are no changes in dividend forecasts for fiscal year ending March 2011. (Interim: ¥10, term end: ¥16, total annual: ¥26)

[Cautionary note]

Earnings forecast stated above are based on decisions made by UNITED ARROWS LTD. in light of information obtainable as of October 29, 2010, and actual earnings may differ materially from forecasts due to various factors.