UNITED ARROWS LTD.

October 28, 2011

Notice Concerning Revision of Earnings Forecasts
for the First Half of Fiscal Year Ended March 2012

UNITED ARROWS LTD. hereby announces revision of earnings forecasts for the first half of fiscal year ended March 2012, previously announced on September 12, 2011.

Earnings forecasts for the first half of fiscal year ended March 2012 (from April 1, 2011 to September 30, 2011)

Consolidated

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	45,036	3,461	3,454	1,714	53.54
Current forecast (B)	45,361	4,108	4,152	2,230	70.62
Change in amount (B-A)	325	646	697	515	
Change in percentage (%)	0.7	18.7	20.2	30.1	
For reference Previous results (1H of FYE March 2011)	41,387	2,657	2,566	253	5.99

Non-consolidated

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	42,240	3,312	3,316	1,691	52.82
Current forecast (B)	42,369	3,798	3,849	2,073	65.65
Change in amount (B-A)	129	485	533	381	
Change in percentage (%)	0.3	14.7	16.1	22.6	
For reference Previous results (1H of FYE March 2011)	38,843	2,759	2,700	507	12.03

〔Note〕Information noted above is based on information obtained at present and include uncertainties. Therefore, actual results may differ from these forecasts depending on changes in business conditions.

Reasons of announcement

(Non-consolidated)

Due to cool weather in late September, sales of fall items were favorable. It results in better non-consolidated sales than forecasts announced on Sep. 12 2011. Non-consolidated gross profit is expected to be ¥22,556 million, which is higher than forecasts by ¥174 million, because costs of sales were lower than forecasts by reduction of product elimination and lower valuation losses on products. Non-consolidated selling, general and administrative (SGA) expenses are expected to be ¥18,757 million, lower than forecasts by ¥311 million. This stems from the push-out into the following period of advertising expenses and lower personnel expenses. As a result, operating income, ordinary income, and net income of the first half of the fiscal year ending March 2012 are expected to be higher than forecasts.

(Consolidated)

Because of above-mentioned reasons and favorable sales of subsidiary company COEN CO. LTD., consolidated operating income, ordinary income, and net income of the first half of the fiscal year ending March 2012 are expected to be higher than forecasts. Consolidated gross profit is expected to be ¥24,354 million and SGA expenses are expected to be ¥20,246 million.

No revision of earning forecasts for the full fiscal year ending March 2012, because of uncertainties in personal consumption.

There is no change in dividend forecast for the fiscal year ending March 2012. (an interim cash dividend of ¥10 per share and a period-end cash dividend of ¥21 per share)