



UNITED ARROWS LTD.

November 12, 2007

### **Notice Concerning Restructuring of Store Brands to Strengthen Main Businesses**

UNITED ARROWS LTD. hereby announces the restructuring of four store brands that we currently operate, and concentrate business resources to our growing businesses. By this restructuring, we will strengthen our main businesses “UNITED ARROWS” and “green label relaxing”, as described below.

The following four brands will be restructured this time; under Small Business Units (S.B.U.) will be “DARJEELING DAYS” and “Disney Loved By Nature for UNITED ARROWS”, and “ODONATA green label relaxing” and “FACADE GREEN green label relaxing” operated by “green label relaxing (GLR)”. Investment, human resources and knowledge of each of the above businesses will be gathered to existing businesses for stable future growth of the company.

- **DARJEELING DAYS ----- 4 stores**

DARJEELING DAYS started in March 2005, targeting men mainly in their 40s. We will terminate the stand-alone operation of this business and transfer human resources to the UNITED ARROWS business. Going forward, the UNITED ARROWS business will take in the knowledge that DARJEELING DAYS gained from their business, and expand the luxurious taste that DARJEELING DAYS offered. Each of the stores of DARJEELING DAYS are expected to be closed during the period of January to March 2008, and the DARJEELING DAYS label will remain in the UNITED ARROWS business as a men's label for adults.

- **Disney Loved By Nature for UNITED ARROWS ----- 2 stores**

Disney Loved By Nature for UNITED ARROWS (DLN) started in March 2007 as a children's clothing business using Disney characters. We will terminate the operation of the Jiyugaoka store, and suspend opening roadside stores. We are under discussions to continue operations of DLN under the green label relaxing business as a high-end, children's clothing brand. We will strengthen the children's clothing section of the green label relaxing business and concentrate the knowledge gained from the high-end

children's clothing market through the DLN business.

- ODONATA green label relaxing ----- 1 store

ODONATA green label relaxing started in March 2006 as a business under green label relaxing, mainly providing suits and heavy clothing (such as coats) for men. We will terminate the stand-alone operation of the existing store and also suspend all stand-alone store openings. The currently operating store will be closed during the second half of this fiscal year ending March 2008 to the first half of the next fiscal year ending March 2009. Additionally, the label ODONATA green label relaxing will be temporarily suspended. The business resource that was dispersed to ODONATA green label relaxing will be absorbed to strengthen the men's dressy clothing of the green label relaxing business.

- FACADE GREEN green label relaxing ----- 4 stores

FACADE GREEN green label relaxing started in March 2006, targeting women around their 30s under the green label relaxing business. We will terminate the stand-alone operations of the existing stores and also suspend all stand-alone store openings. The currently operating four stores will be closed during the second half of this fiscal year ending March 2008 to the first half of the next fiscal year ending March 2009. Additionally, the label FACADE GREEN green label relaxing will be temporarily suspended. The mode/sexy clothing brand for the young women's market will be concentrated to Jewel Changes, a Small Business Unit which is currently performing well. All business resources related to the operation of FACADE GREEN green label relaxing will be absorbed to the green label relaxing business to strengthen sales of the private label products.

As a result of the store brand restructurings mentioned above, the businesses operated by UNITED ARROWS LTD. will be the following;

- Main businesses

UNITED ARROWS

BEAUTY&YOUTH UNITED ARROWS

united arrows green label relaxing

CHROME HEARTS

➤ Small Business Units

Another Edition

Jewel Changes

Odette é Odile UNITED ARROWS

DRAWER

SOUNDS GOOD

➤ UA Labs

TOKISHIRAZU

Liquor, woman&tears

Under the Diversification Strategy, which is one of the basic strategies of UNITED ARROWS LTD., we will make adjustments to our business portfolio through multifaceted analysis of profitability, growth and brand images and make investments accordingly to which of these take priority. We will also consider the macro environment and our competitor's conditions simultaneously. While maintaining and expanding brand loyalty, we will grow the company by diversifying business based on both economic rationality and fashion sensitivity.