



UNITED ARROWS LTD.

November 20, 2006

**Notice Concerning New Agreement to Strengthen Domestic Sales
of CHROME HEARTS Products**

UNITED ARROWS LTD. (President: Tetsuya Iwaki, Shibuya-ku, Tokyo) hereby announces new licensing agreement (1) between CHROME HEARTS JAPAN, LTD. (2) signed in November 2006 to strengthen domestic sales of CHROME HEARTS products, as described below.

(1) Aim

CHROME HEARTS is an American silver accessory and leather wear brand that was established by Richard Stark in 1988. It's dignified, classical design and high quality has been highly valued globally, and was awarded winner of Accessory Designer of the Year from the CFDA (Council of Fashion Designers of America) in 1992.

UNITED ARROWS, LTD. started to handle CHROME HEARTS products from 1992, and opened an experimental store named UTICA, which was named after Richard Stark's place of birth (Utica, Connecticut), in front of UNITED ARROWS Harajuku. Through test marketing of UTICA, CHROME HEARTS was realized as a brand that has permanent value to continue business, and became a new business unit of UNITED ARROWS, LTD.

Sales of CHROME HEARTS products in fiscal year ended March 2006 comprised about 7.6% of total sales of UNITED ARROWS LTD., 4.1 billion yen in amount. (Total amount of sales of 3 stores of CHROME HEARTS and sales from each store of UNITED ARROWS)

(2) Content of Agreement

Newly agreed licensing agreement contains exclusive right as a regular sales agent to open and operate CHROME HEARTS stores in major cities in Japan (cf. previous agreement was restricted to Tokyo and Osaka area). Together with this, stable supply of products will be provided by CHROME HEARTS JAPAN LTD. By obtaining these new rights, UNITED ARROWS LTD. will pay royalty according to sales to CHROME HEARTES JAPAN LTD.

(3) Effect on business performance

There is no effect on financial results of this fiscal year (consolidated basis) due to this agreement.

(1) Agreement was signed in November 2006, but the effect date of the agreement is April 1, 2006. Additionally, payment of royalty from UNITED ARROWS LTD. to CHROME HEARTS JAPAN LTD. will start from April 1, 2007.

(2) CHROME HEARTS JAPAN LTD.: Owner of CHROME HEARTS trademarks in Japan, and exclusive importer of products in Japan.