UNITED ARROWS LTD.

January 27, 2012

Notice Concerning Revision of Earnings Forecasts
for the Full Fiscal Year Ending March 2012

In light of recent business performance trends, UNITED ARROWS LTD. (hereafter “the Company”) hereby announces details of a revision to its earnings forecasts for the full fiscal year ending March 2012, previously announced on September 12, 2011.

Earnings forecasts for the full fiscal year ending March 2012 (from April 1, 2011 to march 31, 2012)

Consolidated

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	98,512	8,497	8,486	4,608	143.91
Current forecast (B)	101,272	9,550	9,600	5,167	161.38
Change in amount (B-A)	2,760	1,052	1,113	559	
Change in percentage (%)	2.8	12.4	13.1	12.1	
For reference Previous results (Fiscal 2011)	90,571	7,384	7,240	3,596	97.02

Non-consolidated

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	92,076	7,898	7,908	4,296	134.16
Current forecast (B)	94,603	8,749	8,814	4,632	144.65
Change in amount (B-A)	2,526	851	905	335	
Change in percentage (%)	2.7	10.8	11.5	7.8	
For reference Previous results (Fiscal 2011)	85,090	7,126	7,061	2,919	78.74

〔Note〕The data presented above is based on information currently available and includes uncertainties. Therefore, actual results may differ from these forecasts depending on changes in business conditions.

Reasons for revision of earnings forecasts for the full fiscal year ending March 2012

As stated above, the Company has upwardly revised its non-consolidated net sales, operating profit, and ordinary profit forecasts for the full fiscal year ending March 2012. In addition to robust retail + online existing store net sales for the third quarter (October 1, 2011 to December 31, 2011) of the fiscal year under review, which climbed 8.7% compared with the corresponding period of the previous fiscal year, this upward revision was mainly attributable to the increase in gross profit thanks largely to the improvement in mark-down losses.

In addition, the Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating a Taxation System in response to Changes in the Structure of the Economy and Society (Act No. 114 of 2011) and the Act on Special Measures for Securing the Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake (Act No. 117 of 2011) came into effect on December 2, 2011. This in turn has led to a change in corporation tax rates effective from the accounting period commencing April 1, 2012. As a result, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will change for temporary differences expected to be eliminated effective from the fiscal year commencing April 1, 2012 resulting in an increase in income taxes — deferred.

Despite the aforementioned, growth in operating profit and ordinary profit has surpassed the increase in income taxes — deferred. Under these circumstances, the Company has also decided to upwardly revise its earnings forecast for net income.

On a consolidated basis, the upwardly revised earnings forecasts presented above are attributable to the same factors identified for non-consolidated results as well as robust existing store net sales owing to improvements in the product lineup of COEN CO., LTD., a subsidiary company, and growing brand awareness.

Assumptions underpinning earnings forecasts for the full fiscal year ending March 2012

Retail + online, retail, and online existing store net sales for the full fiscal year ending March 31, 2012 are projected to increase 8.7%, 6.0%, and 28.1%, respectively, compared with the previous fiscal year.

Consolidated gross profit and selling, general and administrative (SG&A) expenses are forecast to total ¥55,028 million and ¥45,477 million, respectively. Non-consolidated gross profit is expected to reach ¥51,020 million, while SG&A expenses are anticipated to come in at ¥42,270 million.

There is no change in cash dividend forecasts for the fiscal year ending March 31, 2012. The interim cash dividend is projected at ¥10 per share with a period-end cash dividend of ¥21 per share for an annual cash dividend of ¥31 per share.