



UNITED ARROWS LTD.

April 27, 2012

## Notice Concerning Posting of Extraordinary Loss, Revision of Earnings Forecasts and Revision of Expected Dividend

UNITED ARROWS LTD. hereby announces following information:

- extraordinary loss posted during the full fiscal year ended March 2012
- revision of earnings forecasts for the full fiscal year ended March 2012, previously announced on January 27, 2012
- revision of expected year-end dividend for the full fiscal year ended March 2012, previously announced on May 11, 2011

### 1. Posting of extraordinary loss

The company has decided payment of merit bonus for Osamu Shigematsu, Chairman and Director, and Tetsuya Iwaki, Director and Consultant, within ¥430 million for their enormous contribution to the company's prosperity. Until their resignations as Representative Director on March 31, 2012, Shigematsu had served as Representative Director since the foundation of UNITED ARROWS LTD. and Iwaki, co-founder, had served on board as Managing Director, Executive Vice President and President.

The bonus is expected to be posted in extraordinary loss of ¥430 million on both consolidated and non-consolidated basis for the full fiscal year ended March 2012 after approval at the general shareholders' meeting to be held on this June. At the time of their retirements, the company will pay them retirement benefits, which was approved at the general shareholders' meeting held on June 25, 2007.

### 2. Revision of 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)	101,272	9,550	9,600	5,167	161.38
Current forecast (B)	102,052	10,193	10,272	5,016	158.74
Change in amount (B-A)	779	643	672	△ 151	
Change in percentage (%)	0.8	6.7	7.0	△ 2.9	
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)	94,603	8,749	8,814	4,632	144.65
Current forecast (B)	95,406	9,399	9,505	4,502	142.46
Change in amount (B-A)	803	649	691	△ 129	
Change in percentage (%)	0.8	7.4	7.8	△ 2.8	
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 of revision:

The Company has upwardly revised its non-consolidated net sales, operating profit, and ordinary profit forecasts for the full fiscal year ending March 2012. This upward revision is due to robust retail and online existing store net sales for the fourth quarter (from January 1, 2012 to March 31, 2012) of the fiscal year, which climbed 9.9% compared with the corresponding period of the previous fiscal year. The increase in gross profit thanks largely to the improvement in mark-down losses and a decrease in the disposal of merchandise has also led to this revision.

On the other hand, non-consolidated net income is expected to be short of forecasts by 2.8%, because the payment of merit bonus (¥430 million) is expected to be posted in extraordinary loss.

For the same reason, the company has revised its consolidated earnings forecasts for the full fiscal year ending March 2012 (from April 1, 2011 to March 31, 2012), mentioned above.

Consolidated gross profit and selling, general and administrative expenses are expected to be ¥55,661million and ¥45,468million respectively. On the non-consolidated basis, gross profit and selling, general and administrative expenses are expected to be ¥51,636million and ¥42,236million respectively.

3. Revision of expected dividend

(yen)

	Dividend per share				
	1Q	2Q	3Q	Term end	Annual
Previous forecast (Jan. 27, 2012)	—	—	—	21.00	31.00
Current forecast	—	—	—	26.00	36.00
FYE March 2012 result	—	10.00	—		
(For reference) FYE March 2011 result	—	10.00	—	19.00	29.00

Reasons of revision:

In returning profit to shareholders, the company will take into consideration the operating environment and performance while striking a balance with the need to maintain sufficient internal reserves to fund future store openings and conduct capital investment for growth businesses. Returns will also be conducted based on earnings levels and dividend payout ratios.

Based on this policy, the company plans a year-end dividend payout increase from ¥21 to ¥26 and an annual dividend per share has been revised upward to ¥36.