



September 28, 2012

## Notice Concerning Posting of Extraordinary Loss and Revisions of Earnings Forecasts

UNITED ARROWS LTD. hereby announces extraordinary loss posted during the second quarter of the fiscal year ending March 2013 and revisions of the earnings forecasts for the first half of the fiscal year ending March 2013 and for the full fiscal year ending March 2013, which were previously announced on May 9, 2012.

### 1. Posting of Extraordinary Loss

Following the accounting standards on impairment of fixed assets, impairment loss of some sores' fixed assets is expected to be posted in extraordinary loss of ¥550 million on both consolidated and non-consolidated basis for the second quarter of the fiscal year ending March 2013.

### 2. Revisions of Earnings Forecasts

According to recent sales conditions, earnings forecasts for the first half of the fiscal year ending March 2013 and the full fiscal year ending March 2013 are updated as follows.

#### Consolidated

Earnings forecast for the first half of the FYE March 2013 (from April 1, 2012 to September 30, 2012)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	49,818	3,352	3,340	1,794	56.04
Current forecast (B)	50,370	4,572	4,630	2,443	76.30
Change in amount (B-A)	552	1,220	1,289	648	
Change in percentage (%)	1.1	36.4	38.6	36.2	
For reference Previous results (1H of FYE March 2012)	45,361	4,108	4,152	2,246	71.14

Earnings forecast for the full FYE March 2013 (from April 1, 2012 to March 31, 2013)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	111,469	11,134	11,119	6,414	200.32
Current forecast (B)	112,629	12,035	12,090	6,929	216.40
Change in amount (B-A)	1,159	901	971	514	
Change in percentage (%)	1.0	8.1	8.7	8.0	
For reference Previous results (FYE March 2012)	102,052	10,193	10,272	5,016	158.74

Non-consolidated

Earnings forecast for the first half of the FYE March 2013 (from April 1, 2012 to September 30, 2012)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	46,237	3,053	3,051	1,595	49.82
Current forecast (B)	46,774	4,236	4,288	2,201	68.75
Change in amount (B-A)	536	1,182	1,237	606	
Change in percentage (%)	1.2	38.7	40.6	38.0	
For reference Previous results (1H of FYE March 2012)	42,369	3,798	3,849	2,073	65.65

Earnings forecast for the full FYE March 2013 (from April 1, 2012 to March 31, 2013)

	Net sales (¥ million)	Operating profit (¥ million)	Ordinary profit (¥ million)	Net income (¥ million)	Net income per share (yen)
Previous forecast (A)	103,466	10,195	10,200	5,745	179.41
Current forecast (B)	104,308	10,956	11,015	6,098	190.45
Change in amount (B-A)	842	760	815	353	
Change in percentage (%)	0.8	7.5	8.0	6.2	
For reference Previous results (FYE March 2012)	95,406	9,399	9,505	4,502	142.46

[ 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 revisions:**

Non-consolidated basis

For the first half of the fiscal year ending March 2013, sales and gross profit are expected to exceed the forecast by ¥536 million and ¥393 million respectively. Business remains steady in the period, despite the delays in the periods of clearance sales and the slow start of the fall and winter seasons due to the late-summer heat. For selling, general and administrative (SG&A) expenses, personnel and other fixed costs will be lower than forecast and some unused portion of fixed cost will be carried over into the second half of the fiscal year ending March 2013. It will lead to lower SG&A expenses than forecast by ¥788 million.

For these reasons above, operating profit and ordinary profit are expected to be ¥4,236 million, higher than forecast by 38.7% or ¥1,182 million, ¥4,288 million, higher than forecast by 40.6% or ¥1,237 million respectively. Upwardly-revised ordinary profit will have more than offset ¥550 million of impairment loss, resulting in ¥2,201million of net income, higher than forecast by 38.0% or ¥606 million.

For the full fiscal year ending March 2013, forecast of net sales, operating profit, ordinary profit and net income are expected to be ¥104,308 million, higher than forecast by 0.8% or ¥842 million, ¥10,956 million, higher than forecast by 7.5% or ¥760 million, ¥11,015 million, higher than forecast by 8.0% or ¥815 million, ¥6,098 million, higher than forecast by 6.2% or ¥353 million respectively. Additional sales of new stores and additional advertising expenses are included in the updated forecast of the second half of the fiscal year ending March 2013, both of which were not planed at the initial forecast.

Consolidated basis

Following the non-consolidated forecast revision for the first half of the fiscal year ending March 2013, consolidated forecast for the same period is also updated.

For the full fiscal year ending March 2013, net sales, operating profit, ordinary profit and net income are expected to be ¥112,629 million, higher than forecast by 1.0% or ¥1,159 million, ¥12,035 million, higher than forecast by 8.1% or ¥901 million, ¥12,090 million, higher than forecast by 8.7% or ¥971 million, ¥6,929 million, higher than forecast by 8.0% or ¥514 million respectively. In a subsidiary company, COEN CO., LTD., additional store openings are expected in the second half of the fiscal year, which were not initially planned. The new store sales are included in the revised consolidated forecast for the full fiscal year ending March 2013.

There is no change in cash dividend forecasts for the fiscal year ending March 31, 2013. The interim cash dividend is projected at ¥15 per share with a period-end cash dividend of ¥31 per share for an annual cash dividend of ¥46 per share.