



December 26, 2008

Notice Concerning Partial Withdrawal of Business

UNITED ARROWS LTD. hereby announces partial withdrawal of business, resolved at the meeting of the Board of Directors held on December 26, 2008, as described below.

1. Summary of business to be withdrawn

- SOUNDS GOOD

Summary of business	Planning private label products, purchasing designer products and selling sports related apparel and miscellaneous goods for men and women
Start of business	September 2007
Number of stores	3 (as of December 2008)
Total Sales	¥167 million (as of first half of FYE March 2009)

2. Reason of withdrawal

One of our business strategies which we call the Diversification Strategy is to develop multiple businesses targeting different markets to enhance support from our customers. We currently have three major businesses and six Small Business Units and two UA Labs (experimental businesses).

SOUNDS GOOD started as a private label sports brand providing both functional and fashionable sports wear and was sold in UNITED ARROWS stores from Spring/Summer 2007. It became a Small Business Unit from September 2007.

Our group regularly revises profitability, growth, brand image, etc. considering the economic environment and competitor conditions to make adjustments to our business portfolio. As the business environment has recently deteriorated, we decided it best to concentrate business resources to businesses that are more profitable than SOUNDS GOOD which we found difficult to turn profitable in the short term. As a result, we decided to withdraw from this business.

Considering future business environments, we will enhance stricter revision for other business as well to improve profitability.

3. Schedule of withdrawal

December 26, 2008	Resolution at Board Members Meeting
From March 2009 to July 2009	Close 3 existing stores

4. Future outlook

The composition of sales of SOUNDS GOOD to non-consolidated total sales was 0.5% as of interim of fiscal year ending March 2009. Also, 2 stores out of total 3 stores that will be closed have already posted impairment loss in fiscal year ended March 2008, thus affect to our future business results will be marginal.