

Link Theory Holdings Revises Projected Interim Results for Fiscal 2008

March 17, 2008 Tokyo, Japan - Link Theory Holdings Co., Ltd. ("LTH") today announced the revision of its projected interim consolidated / non-consolidated results, previously announced October 10, 2007.

1. Revision of consolidated / non-consolidated interim forecasts for fiscal year ending August 2008

Based on the current business environment, LTH revises projected consolidated / non-consolidated interim results for the fiscal year ending August 2008 (September 2007 – February 2008) as follows:

【Consolidated forecasts / interim】

(Million JPY, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (Yen)
Previous forecasts (A)	32,950	825	-145	25	164.90
Revised forecasts (B)	31,045	1,390	430	345	2,171.01
Change (B – A)	-1,905	565	575	320	—
Change (%)	-5.8%	68.5%	—	1280.0%	—
FYE August 2007 interim results	29,610	114	420	-4,640	-30,672.50

【Non-consolidated forecasts / interim】

(Million JPY, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (Yen)
Previous forecasts (A)	1,509	835	978	199	1,312.60
Revised forecasts (B)	1,483	875	1,020	510	3,209.32
Change (B – A)	-26	40	42	311	—
Change (%)	-1.7%	4.8%	4.3%	156.3%	—
FYE August 2007 interim results	1,051	518	683	-5,263	-34,787.95

2. Background of revision

【Background of revision / consolidated】

Net sales are expected to fall below the previous forecast due to the sluggish retail market environment in Japan, US and Europe (variance against budget: -510 million JPY in Japan, -600 million JPY in US, -660 million JPY in Europe). In contrast, operating income is expected to surpass the previous forecast attributed to a) improvement of gross profit margin through tight inventory control and b) LTH's group-wide dedication to reduce expenses (variance against budget: +250 million JPY in Japan, +180 million JPY in US, +170 million JPY in Europe). In addition, ordinary income and net income will surpass the previous forecast, in spite of larger than expected foreign exchange loss for Yen denominated loans at the US subsidiary (note).

(Note) Yen-denominated loans to the US subsidiary are recorded in the US subsidiary's financial statements in US Dollars and adjusted to reflect the exchange rate at the end of the reporting period. The change of balance as foreign exchange profit/loss does not affect the actual cash settlement, as the loan repayment is netted against inter-company royalty in Yen from Japan to the US subsidiary.

【Background of revision / non-consolidated】

Net sales are expected to fall below the previous forecast due to the lower Yen translation of US Dollar denominated dividend from the US subsidiary, resulting from the Yen's larger than expected appreciation against the dollar. In contrast, operating income and ordinary income are expected to exceed the previous forecast due to rigorous expense management. Net income is also expected to exceed the previous forecast as better than expected results of the European operations will require a lower additional provision for capital deficiency to the European subsidiary.

3. Outlook for consolidated / non-consolidated forecasts for fiscal year ending August 2008

We are not changing our previous announced consolidated / non-consolidated forecasts, announced on October 10, 2007, for fiscal year ending August 2008, as we need to take a closer look at deteriorating retail market environment, especially in US, caused from sub-prime mortgage problems.

Revision of consolidated/non-consolidated forecasts is based on information available at present. As actual financial results may vary according to future conditions and factors, LTH does not assure or guarantee the achievement of such forecasts.



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