FAST RETAILING

April 10, 2008

Interim results for the 6 months to February 2008 and outlook for the year to August 2008

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My name is Makoto Yoshitaka, Senior Vice President & CFO of FAST RETAILING CO.

Today, I would like to take you through our interim business results for the six months to February 2008, and also our full year forecasts for the year to end August 2008.

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Contents

【A note on the display of group operations in this documentation】

※1 The structure of each group operation is as outlined below.

UNIQLO Japan: Figures for UNIQLO CO., LTD. are displayed.

UNIQLO International: Includes UNIQLO operations in UK, USA, China, Hong Kong, Korea & France.

Japan Apparel: Non-UNIQLO apparel retailers developed mainly for the Japanese market. This includes G.U. CO., LTD., ONEZONE CORPORATION, CABIN CO., LTD., ASPESI JAPAN, and VIEWCOMPANY CO., LTD.

Global Brands: Refers to non-UNIQLO brands already being developed globally or with global potential. This includes FR FRANCE (COMPTOIRS DES COTONNIERS, PRINCESSE TAM.TAM), and equity method affiliate LINK THEORY HOLDINGS CO., LTD

※2 The figures in the documentation are displayed as follows:

Actual amounts: rounded down to the nearest 100 million yen,

Proportions, rate of increase (%); rounded off to the second decimal place.

[Group] Results for six months to Feb 08

Net sales： ¥316.4bln (+11.3% y/y)
Operating income：¥ 54.2bln (+25.8% y/y)
Ordinary income： ¥ 53.4bln (+25.4% y/y)

Billions of yen

	Yr to Aug 07 Interim Act.	Yr to Aug 08 Interim Actual			
		Initial est.	Actual	Y/Y	v. est.
Net sales (to net sales)	284.1 100.0%	3,043 100.0%	**316.4** **100.0%**	+11.3%	+4.0%
Gross profit (to net sales)	131.6 46.3%	1,450 47.7%	**156.9** **49.6%**	+19.2% (+3.3p)	+8.2%
SG&A (to net sales)	88.4 31.1%	991 32.6%	**102.6** **32.4%**	+16.0% (+1.3p)	+3.6%
Op. income (to net sales)	43.1 15.2%	459 15.1%	**54.2** **17.2%**	+25.8% (+2.0p)	+18.2%
Ordinary income (to net sales)	42.6 15.0%	460 15.1%	**53.4** **16.9%**	+25.4% (+1.9p)	+16.1%
Net income (to net sales)	22.6 8.0%	248 8.2%	**28.6** **9.1%**	+26.3% (+1.1p)	+15.3%

First of all, let us look at interim consolidated business performance for the six months to February 2008.

We achieved a rise in both revenue and profit during the said period, with net sales rising 11.3% year on year to ¥316.4bln, operating income rising 25.8% to ¥54.2bln and ordinary income rising 25.4% to ¥53.4bln.

The next slide will take us through the detailed factors behind this result.

【Group】 Rise in income & profit

Net sales ¥316.4bln (+11.3% y/y)

- ○ UNIQLO Japan +¥18.9bln
- ○ UNIQLO International +¥7.2bln
- ○ Global Brands +¥6.2bln

Gross margin 49.6% (+3.3p y/y)

- ○ UNIQLO Japan gross margin improved +3.1p

SG&A to net sales ratio 32.4% (+1.3p y/y)

- ○ UNIQLO Japan +¥6.5bln
- ○ UNIQLO International +¥3.1bln
- ○ Global Brands +¥3.3bln
- ○ Goodwill amortization +¥0.2bln

Operating income ratio 17.2% (+2.0p y/y)

- ○ Operating income ¥54.2bln (+25.8% y/y)

Net sales increased 11.3% or ¥32.2bln year on year to a total of ¥316.4bln.

Breaking down that figure, UNIQLO Japan generated ¥18.9bln of the increased revenue,while UNIQLO International generated a ¥7.2bln increase and our Global Brands generated ¥6.2bln.

Our gross profit margin improved 3.3 points year on year to 49.6%.

This was due in the main to a 3.1 point improvement in gross profit year on year at our UNIQLO Japan operation.

SG&A costs rose ¥14.1bln year on year. That translates into a 1.3 point increase in the SG&A to net sales ratio.

Of this total, SG&A costs rose ¥6.5bln at UNIQLO Japan, ¥3.1bln at UNIQLO International and ¥3.3bln at Global Brands.

Amortization of goodwill rose approximately ¥0.2bln year on year to ¥2.3bln.

The overall impact of these figures then - consolidated operating income for the first half rose 25.8% to ¥54.2bln. That generates an operating income to net sales ratio of 17.2%, a 2.0 point improvement on the previous year.

Interim performance by operation

Billions of yen

		Yr to Aug 07 Interim actual	Yr to Aug 08 Interim actual	Y/Y
UNIQLO Japan	Net sales	234.2	253.2	+8.1%
	OP	40.7	50.5	+24.1%
	(to net sales)	17.4%	20.0%	+2.6p
UNIQLO Int'l	Net sales	8.6	15.8	+83.4%
	OP	▲ 0.5	0.7	-
	(to net sales)		4.8%	-
Japan Apparel	Net sales	23.0	22.7	▲1.2%
	OP	▲ 1.5	▲ 1.1	-
	(to net sales)	-	-	-
Global Brands ※	Net sales	17.8	24.0	+34.8%
	OP	4.5	5.2	+15.6%
	(to net sales)	25.4%	21.8%	▲3.6p

※ Due to the change in reporting period at French subsidiary PETIT VEHICULE S.A., we have accounted 8 months of results for the firm (07/07-08/02) in this interim period.

Applied exchange rate:

Six months to Feb 2008 1USD = 110.9 yen 1EUR = 162.5 yen 1GBP = 224.5 yen

Six months to Feb 2007 1USD = 117.4 yen 1EUR = 154.9 yen 1GBP = 229.6 yen

This slide displays the interim results per business segment in terms of net sales and operating income.

UNIQLO Japan generated an 8.1% rise in net sales year on year and a 24.1% increase in operating income.

Net sales at UNIQLO International increased 83.4% year on year with the segment posting its first interim profit of ¥0.7bln during the period.

While net sales fell 1.2% year on year at our Japan Apparel operation, we were able to reduce operating losses.

Our Global Brands operation generated a 34.8% increase in net sales and a 15.6% increase in operating income.
Due to a change in reporting period at French subsidiary PETIT VEHICULE S.A., we accounted 8 months of the firm's business results into consolidated results for this interim period.

【UNIQLO Japan】 Six months to Feb 08

Net sales up 8.1%, Operating income up 24.1%

Billions of yen

	Yr to Aug 07 Interim Actual	Yr to Aug 08 Interim Actual			
		Initial est.	Actual		
				Y/Y	v. est.
Net sales	234.2	243.0	**253.2**	+8.1%	+4.2%
(to net sales)	100.0%		**100.0%**		
Gross profit	104.3	110.5	**120.6**	+15.6%	+9.2%
(to net sales)	44.5%	45.5%	**47.6%**	(+3.1p)	
SG&A	63.5	68.2	**70.0**	+10.2%	+2.8%
(to net sales)	27.1%	28.1%	**27.7%**	(+0.6p)	
Op. income	40.7	42.3	**50.5**	+24.1%	+19.5%
(to net sales)	17.4%	17.4%	**20.0%**	(+2.6p)	

Let me now give you a few more details on our UNIQLO Japan operation.

We were able to generate an increase in both revenue and profit for the six months to February 2008 with net sales rising 8.1% year on year to ¥253.2bln and operating income rising 24.1% to ¥50.5bln.

This result exceeded our initial estimates by ¥10.2bln in terms of net sales and ¥8.2bln in terms of operating income.

The next slide takes us through these factors one by one.

【UNIQLO Japan】 Net sales

Net sales: 6 mths to Feb 08 ¥253.2bln (+8.1% y/y)

○ **Increase of 25 direct-run UNIQLO stores y/y** (738 stores at end Feb 08 ※)

○ **Existing store sales＋1.5% y/y** (6 months to Feb 07 ＋2.9%)

Strong demand for winter goods such as HEATTECH INNER wear during peak months of Nov, Dec.

Customer nos. ▲0.9% y/y ⇒ Sep: unusual weather delayed autumn range release

Average purchase ＋2.5% y/y ⇒ reduced discounting, more high unit priced goods

Y/Y change		Yr to Aug 08							
		Sep	Oct	Nov	Dec	Jan	Feb	1H Cum.	Mar
Existing stores	Net sales	▲12.9%	+4.2%	+3.2%	+6.4%	▲0.9%	+1.4%	+1.5%	+8.1%
	Customer nos.	▲11.2%	+5.6%	+0.0%	+4.7%	▲6.5%	▲4.8%	▲0.9%	+5.3%
	Avg. purchase	▲1.9%	▲1.4%	+3.2%	+1.6%	+6.0%	+6.6%	+2.5%	+2.7%

※ Excluding 19 franchise stores

Part of the reason for this 8.1% increase in net sales at UNIQLO Japan was the increase of 25 in total direct-run stores year on year, and a 1.5% rise in existing store net sales.

Customer numbers fell 0.9% year on year while the average purchase price per customer rose 2.5%.

Existing store sales exceeded the previous year's level thanks to a strong performance by winter goods such as HEATTECH INNER wear, premium down and cashmere sweaters during the peak winter demand months of November and December.

Unusual weather particularly in September delayed the launch of our autumn range and this was one of the reasons behind the fall off in customer numbers over the interim period.

The average purchase price per customer rose 2.5% year on year. This was the result of a reduced need for overall discounting and a relatively strong performance by higher unit price goods.

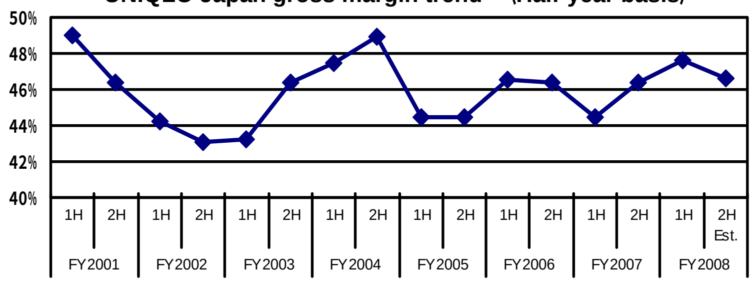
For a more recent snapshot of performance, existing store net sales rose 8.1% year on year in March with our spring range getting off to a firm start.

【UNIQLO Japan】 Gross profit margin

Interim gross profit margin 47.6% （+3.1p y/y）

- ○ **Stronger control over discount selling**
- ○ **Strong winter sales reduced need for discounting**
- ○ **Early launch of spring range**

UNIQLO Japan gross margin trend （Half-year basis）



Our gross profit to net sales ratio improved 3.1 points year on year in the interim period.

This was 2.1 points over our initial forecast.

We see three underlying factors behind this improved profit margin.

Firstly, we strengthened control over discount selling compared to last year.

This was made possible by strengthening links between stores and head office to achieve a more detailed, attentive system of price management.

Secondly, we witnessed a reduced need for discount selling given the strong performance of core winter garment ranges such as HEATTECH INNER wear, premium down, extra fine merino sweaters, etc.

Thirdly, gross profit improved following a successful early launch of our spring range in January and February.

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【UNIQLO Japan】 SG&A

Interim SG&A to net sales 27.7% (+0.6p y/y)

- Personnel + 0.2p Increased new graduate hires, regional regular staff
- Advertising & promotion ▲0.3p Suppressed in Q2
- Store rents + 0.4p Increased new stores in shopping centers, etc.

Billions of yen

	6mths to Feb 07		6mths to Feb 08			
	Actual	(% sales)	Actual	(% sales)	Change	(% sales)
SG&A Total	63.5	27.1%	70.0	27.7%	+6.5	+0.6p
Personnel	22.2	9.5%	24.6	9.7%	+2.4	+0.2p
Advertising	10.9	4.7%	11.0	4.4%	+0.0	▲0.3p
Store rents	16.1	6.9%	18.5	7.3%	+2.4	+0.4p
Depreciation	0.9	0.4%	1.2	0.5%	+0.2	+0.1p
Other	13.2	5.7%	14.5	5.8%	+1.3	+0.1p

SG&A costs at UNIQLO Japan rose ¥6.5bln year on year to ¥70.0bln in the interim period.

This numerical figure exceeds our initial target by ¥1.8bln. However, the SG&A to net sales ratio actually came in below target.

Rising personnel costs and store rents in line with increased net sales were the main reasons why the numerical figure exceeded our target.

The personnel costs to net sales ratio rose 0.2 points.

This came on the back of an expansion in new graduate hires, and an increase in regional regular staff numbers.

Advertising and promotion costs to net sales improved 0.3 points. These costs were suppressed in the three months to February 2008 as we sought greater efficiency from advertising flyers and TV commercials.

The store rent ratio increased 0.4 points due to the higher number of new stores opening in established commercial facilities such as shopping centers.

【UNIQLO Int'l】 6 months to Feb 08

UNIQLO Int'l posts operating profit

- ○ **Asia** （**Store numbers: 27 at end Aug 07 ⇒ 32 at end Feb 08**）

  China & Hong Kong exceeding sales & profit forecasts.

  South Korea performing well with a large store in Myongdong, Seoul.

- ○ **Europe & USA** （**Store numbers: 12 at end Aug 07 ⇒15 at end Feb 08**）

  USA **Global flagship store doing well. Posted an operating profit**

  UK **Opened global flagship store in London in Nov 07**

  France **Opened first French concept shop in outer Paris in Dec**

Billions of yen

		Yr to Aug 07	Yr to Aug 08	
		Interim actual	Interim actual	Y/Y
UNIQLO International	Net sales	8.6	15.8	+83.4%
	OP	▲0.5	0.7	-
	(% sales)	-	4.8%	-

Net sales at our UNIQLO International operation rose 83.4%, from ¥8.6bln to ¥15.8bln, enabling us to shift into the black for the first time during this interim period.

Taking Asia first, China and Hong Kong continue to outperform with net sales and profit both expanding favorably. We opened our first large-format store in South Korea, the Myongdong Store in Seoul, in December 2007 and our business in that country continues to expand.

UNIQLO USA posted an operating profit for the period as business at our New York global flagship store continues to improve. We posted a loss on our UNIQLO UK operation caused by store opening costs linked to the opening of our global flagship store in London's Oxford Street. Our French operation is off to a good start following the opening of our first French concept shop in December 2007.

【Japan Apparel】 Six months to Feb 08

Undergoing operational restructuring

- ○ **CABIN** — **Restructuring produced an operating gain**
- ○ **G.U.** — **Promoting women's wear, reducing operating loss**
- ○ **ONEZONE** — **Fell short of plan despite reduced operating loss**

Billions of yen

		Yr to Aug 07	Yr to Aug 08	
		Interim actual	Interim actual	Y/Y
Japan Apparel	Net sales	23.0	22.7	▲1.2%
	OP	▲ 1.5	▲ 1.1	-
	(to net sales)	-	-	-

※ We have accounted as investment income a non-operating loss of ¥0.14bln for the six month period from September 2007 to February 2008 generated by our equity method affiliate VIEWCOMPANY CO., LTD

At our Japan Apparel operation, net sales fell 1.2% year on year, but we did manage to reduce the operating loss by ¥0.4bln.

We have worked to generate a fundamental business restructuring at CABIN by amalgamating products into the four mainstay brands. As a result, we were able to account an operating gain for the interim period.

We have worked to consolidate an operational base at our low-cost casual wear G.U. brand by aggressively displaying and promoting women's fashion. As a result, we managed to reduce the operating loss at G.U. compared to last year.

We have worked to regularize store operations at footwear retailer ONEZONE CORP and to strengthen in-house design shoes. However, we were not able to shrink losses by as much as initially planned.

【Global Brands】 Six months to Feb 08

Income&profit up at COMPTOIR DES COTONNIERS

- ○ **Direct-run stores increase by 51 y/y** (325 stores by end Feb 08)
- ○ **Existing store sales flat year on year**

Customer numbers in France dampened by strikes in October & November, increased in January and February.

Strong sales trend continued in Spain & Italy.

PRINCESSE TAM.TAM performs to target

Billions of yen

		Yr to Aug 07 Interim actual	Yr to Aug 08 Interim actual	Y/Y
Global Brands	Net sales	17.8	24.0	+34.8%
	OP	4.5	5.2	+15.6%
	(to net sales)	25.4%	21.8%	▲3.6p

※ We have accounted as investment income a non-operating loss of ¥0.06bln for the period from September 2007 to February 2008 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD..

Our Global Brands operation is expanding favorably.

Both revenue and profit rose at French subsidiary COMPTOIR DES COTONNIERS with sales and profit hitting target.

The number of direct-run stores rose by 51 year on year to a total of 325 stores at end February.

Existing store sales were flat year on year. National strikes in France in the months of October and November dampened customer numbers. However, sales picked up again in January and February and continued strong sales in other European countries such as Spain and Italy also helped boost performance.

Our French lingerie brand PRINCESSE TAM.TAM continues to perform to plan.

Due to a change in the reporting period at the PRINCESSE TAM.TAM developer PETIT VEHICULE S.A., we have accounted 8 months results for that firm into our consolidated total. The net effect of that move is roughly ¥2.5bln in net sales and ¥0.4bln in terms of operating income.

【Group】 Other loss/gain

Other gain ¥0.3bln

- ○ **Gain on sale of fixed assets, etc.**

Other loss ¥1.7bln

- ○ **Cost of structural reform ¥0.7bln**

  Voluntary retirement schemes at CABIN, ONEZONE.
- ○ **Loss on retirement of fixed assets ¥0.4bln**

  Closure of stores in UNIQLO Japan, etc.
- ○ **Impairment loss ¥0.2bln**

  Impairment of unprofitable stores at CABIN

On the other gain/loss account, we posted a special gain of ¥0.3bln and a special loss of ¥1.7bln in the six month period to February 2008.

The other gain was generated by the sale of fixed assets.

Breaking down the other loss, the main component was ¥0.7bln in restructuring costs from our voluntary retirement program at CABIN and ONEZONE.

We also incurred a loss of ¥0.4bln on the retirement of fixed assets as we ploughed ahead with our scrap and build policy to regenerate our UNIQLO Japan store network. Impairment losses totaled ¥0.2bln as we impaired assets on unprofitable CABIN stores.

【Group】 Balance sheet at end Feb 08

Billions of yen

	End Aug 07	End Feb 08	Change
Total assets	359.7	**393.9**	+34.1
Current assets	217.9	**251.0**	+33.0
Fixed assets	141.7	**142.9**	+1.1
Liabilities	116.4	**158.4**	+42.0
Net assets	243.2	**235.4**	▲7.8

Next, I would like to take you through our balance sheet.

Compared to end August 2007, current assets increased ¥33.0bln, fixed assets increased ¥1.1bln, and total assets increased by ¥34.1bln to ¥393.9bln.

The next slide will run through the balance sheet in more detail.

【Group】 B/S main points (v. end Aug 07)

Increase in cash and equivalents, marketable securities + ¥41.3bln
(¥119.3bln ⇒ ¥160.6bln) – **UNIQLO Japan** Op. cash flow, etc.+¥43.2bln

Reduction in inventory assets ▲¥0.5bln (¥55.1bln ⇒ ¥54.6bln)
– **UNIQLO Japan** ▲¥2.0bln (Reduced winter inventory, etc.)
– **Japan Apparel** + ¥1.5bln (newly consolidated VIEWCOMPANY, etc.)

Increase in tangible assets +¥1.9bln (¥37.3bln ⇒ ¥39.3bln)
– **UNIQLO Japan** More stores +¥0.5bln **UNIQLO Intl** More stores +¥0.5bln
– **New consolidated subsidiaries** VIEWCOMPANY +¥0.5bln

Unrealized loss on forward exchange contracts
▲¥43.7bln (Assets ¥17.5bln⇒ Liabilities ¥26.1bln)
– **UNIQLO Japan** **On the back of stronger yen trend. No impact on PL.**
※Accounted on both the liabilities (forward contracts) & the net assets (unrealized hedge gain)

On current assets, total cash, cash equivalents and marketable securities rose ¥41.3bln compared to end August 2007. This was due in the main to a ¥43.2bln increase in operating cash flow at UNIQLO Japan.

Inventory assets fell ¥0.5bln at end February 2008 compared to August 2007. Inventory assets fell ¥2.0bln at UNIQLO Japan but increased by ¥1.5bln at Japan Apparel. Here, ¥1.1bln was due to the new consolidation of VIEWCOMPANY from end February. Compared to the same period last year however, inventory assets at UNIQLO Japan actually increased by ¥6.7bln. While winter goods inventory fell by ¥3.0bln, the increase in overall store numbers pushed up overall inventory by roughly ¥2.5bln. The remaining increase was generated by the early switch to spring/summer ranges and the consequent early piling of spring/summer inventory.

Tangible assets increased ¥1.9bln compared to end August. Tangible assets at ¥0.5bln at UNIQLO Japan and ¥0.5bln at UNIQLO International in line with new store openings. The newly consolidated VIEWCOMPANY also generated a rise in tangible assets of ¥0.5bln.

We accounted ¥17.5bln in assets on forward exchange contracts at the end of August 2007. We then accounted liabilities of ¥26.1bln at the end of the interim period in February, generating a net reduction in forward exchange contracts of ¥43.7bln. This reduction came on the back of the stronger yen trend and was realized at the end of the interim period when we marked to market forward exchange contracts held by UNIQLO Japan. This does not directly impact our profit & loss position.

【Group】 Outlook for year to August 2008

Billions of yen

	Yr to Aug 07	Yr to Aug 08		Yr to Aug 08		
	Actual	Initial est.	Y/Y	Full yr fcst	Y/Y	v. est.
Net sales	525.2	**570.0**	＋8.5%	**585.5**	＋11.5%	＋2.7%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	248.3	**273.6**	＋10.2%	**287.1**	＋15.6%	＋4.9%
(to net sales)	47.3%	48.0%	(＋0.7p)	49.0%	(＋1.7p)	(＋1.0p)
SG&A	183.4	**200.8**	＋9.5%	**207.0**	＋12.9%	＋3.1%
(to net sales)	34.9%	35.2%	(＋0.3p)	35.4%	(＋0.4p)	(＋0.2p)
Op. income	64.9	**72.8**	＋12.1%	**80.1**	＋23.4%	＋10.1%
(to net sales)	12.4%	12.8%	(＋0.4p)	13.7%	(＋1.3p)	(＋0.9p)
Ordinary income	64.6	**72.8**	＋12.8%	**79.1**	＋22.4%	＋8.6%
(to net sales)	12.3%	12.8%	(＋0.5p)	13.5%	(＋1.2p)	(＋0.7p)
Others	▲1.8	**▲1.5**	-	**▲1.9**	-	-
(to net sales)	▲0.4%	▲0.3%	(＋0.1p)	▲0.3%	(＋0.0p)	(▲0.0p)
Net income	31.7	**38.8**	＋22.1%	**41.0**	＋29.3%	＋5.9%
(to net sales)	6.1%	6.8%	(＋0.7p)	7.0%	(＋1.0p)	(＋0.2p)

※ 【Group】 Yr to Aug 2008 Estimate: Capex ¥20.0bln, Depreciation ¥8,0bln
Yr to Aug 2007 Actual: Capex ¥26.4bln, Depreciation ¥6.5bln

This slide explains our estimates for consolidated business performance over the full year to August 2008.

We have revised up our full-year forecasts across the board.

Our estimate for full-year consolidated net sales has been revised up from our initial estimate of ¥570.0bln to ¥585.5bln, operating income from an initial ¥72.8bln to ¥80.1bln, and ordinary income from ¥72.8bln to ¥79.1bln.

Year to Aug 08 by operation

Billions of yen

		Yr to Aug 07	Yr to Aug 08		Yr to Aug 08		
		Full year	Initial est.	Y/Y	Full yr fcst	Y/Y	v. est.
UNIQLO Japan	Net sales	424.7	448.0	+5.5%	459.2	+8.1%	+2.5%
	OP	64.0	71.0	+10.9%	79.2	+23.9%	+11.6%
	(% sales)	15.1%	15.8%	+0.7p	17.3%	+2.2p	+1.5p
UNIQLO International	Net sales	16.9	30.0	+76.5%	30.0	+76.5%	+0.0%
	OP	▲ 1.1	▲ 0.4	-	▲ 0.4	-	-
	(% sales)	-	-		-	-	-
Japan Apparel	Net sales	46.0	47.0	+2.1%	50.8	+10.4%	+8.1%
	OP	▲ 3.5	▲ 1.7	-	▲ 2.7	-	-
	(% sales)	-	-		-	-	-
Global Brands ※1	Net sales	36.7	43.0	+16.4%	43.0	+17.0%	+0.0%
	OP	7.2	7.4	+3.2%	7.4	+3.2%	+0.0%
	(% sales)	19.6%	17.3%	▲2.2p	17.3%	▲2.3p	+0.0p

※1 We plan to account 14 months of business results for French subsidiary PETIT VEHICULE S.A. due to a change in the firm's reporting period.
※2 We anticipate goodwill amortization of ¥5.2bln for the full year to August 2008 (Yr to Aug 07: ¥4.6bln)
※3 We are expecting to account as investment income a non-operating loss of ¥0.16bln for the period from September 2007 to August 2008 generated by our equity method affiliate LINK THEORY HD.

I would now like to run through our full year forecasts for our individual group operations. We have revised up our estimates for UNIQLO Japan to net sales of ¥459.2bln and operating income of ¥79.2bln.

Forecasts for UNIQLO International remain unchanged.

We have revised our net sales forecast for the Japan Apparel segment to ¥50.8bln given that VIEWCOMPANY will become a consolidated subsidiary in the second half. We have revised our forecast operating loss for the full year to ¥2.7bln based on interim performance. We are aiming to boost management efficiency at CABIN following our radical restructuring of operations there including the focus on mainstay brands.

We are expecting to be able to reduce operating losses at G.U. by displaying women's fashion items more prominently and boosting brand visibility through aggressive sales promotion activities. We are looking to improve the profit position at ONEZONE by continuing to slim down head office operations and push ahead with the scrap and build regeneration policy on unprofitable stores. Furthermore, we have opened discussions on the possible integration of business functions and merger of management at three of our subsidiaries G.U.CO., ONEZONE, and VIEWCOMPANY.

Our forecasts remain unchanged for our Global Brands operation.

We are predicting a total amortization of goodwill of ¥5.2bln for the full business. That is an increase of ¥0.6bln due to the incorporation of VIEWCOMPANY as a fully-owned subsidiary of the FR Group.

FAST RETAILING

【UNIQLO Japan】 Assumptions

	Yr to Aug 07 Actual			Yr to Aug 08 Forecast			Y/Y
Net sales	424.7 ¥bln			459.2 ¥bln			+8.1%
Existing store growth							
Full yr	+1.4%			+1.7%			+0.3p
1H (actual)	+2.9%			+1.5%			▲1.4p
2H (estimate)	▲0.6%			+1.9%			+2.5p
Gross margin							
Full year	45.4%			47.2%			+1.8p
1H (actual)	44.5%			47.6%			+3.1p
2H (estimate)	46.4%			46.6%			+0.2p
Store nos (direct run)	Open	Close	Net	Open	Close	Net	Yr end total
Full Yr	75	48	+27	58	46	+12	742
Large-format	21	0	+21	22	0	+22	50
Standard-format	52	47	+5	34	46	▲12	680
Specialty	2	1	+1	2	0	+2	12
1H (actual)	38	28	+10	33	25	+8	738
Large-format	10	0	+10	10	0	+10	38
Standard-format	28	28	0	21	25	▲4	688
Specialty	0	0	0	2	0	+2	12
2H (estimate)	37	20	+17	25	21	+4	742
Large-format	11	0	11	12	0	+12	50
Standard-format	24	19	+5	13	21	▲8	680
Specialty	2	1	+1	0	0	0	12

The small UNIQLO *ekinaka, ekichika* booths in and around stations are included in the standard category of new direct-run stores opened. The specialty store category includes women's underwear BODY by UNIQLO stores, and UNIQLO KIDS.

Next, I would like to explain the assumptions underlying our forecasts for UNIQLO Japan in the second half or six months to August 2008.

We are revising up our expectations for existing store sales in the second half to a rise of 1.9% from our initial forecast for a 0.2% rise.

We have revised our forecast for direct-run stores in the second half to an net increase of 12 large stores, and a net reduction of 8 regular stores.

We have revised our forecast for the gross profit to net sales ratio to 46.6%, a 0.6 point increase on the initial estimate, thanks to the strong early performance of our spring range garments.

【UNIQLO Japan】Fcst for 6 mths to Aug 08

Gross margin and cost ratio control

Billions of yen

	Yr to Aug 07	Yr to Aug 08 2H		Yr to Aug 08 2H		
	2H actual	Initial est.	Y/Y	Rev. est.	Y/Y	v. est.
Net sales (to net sales)	190.4 100.0%	**205.0** 100.0%	+7.7%	**206.0** 100.0%	+8.2%	+0.5%
Gross profit (to net sales)	88.2 46.4%	**94.2** 46.0%	+6.8% (▲0.4p)	**96.0** 46.6%	+8.8% (+0.2p)	+1.9% (+0.6p)
SG&A (to net sales)	65.0 34.2%	**65.5** 32.0%	+0.8% (▲2.2p)	**67.3** 32.7%	+3.5% (▲1.5p)	+2.7% (+0.7p)
Op. income (to net sales)	23.2 12.2%	**28.7** 14.0%	+23.4% (+1.8p)	**28.7** 13.9%	+23.4% (+1.7p)	+0.0% (▲0.1p)

As a result, our forecast for the six months to August 2008 for UNIQLO Japan is for net sales of ¥206.0bln and operating income of ¥28.7bln.

【UNIQLO Japan】Outlook for year Aug 08

Net sales up 8.1%, OP up 23.9%

Billions of yen

	2007	Year to Aug 2007		Year to Aug 2008		
	Actual	Initial est.	Y/Y	Rev. est.	Y/Y	v. est.
Net sales (to net sales)	424.7 100.0%	**448.0** 100.0%	+5.5%	**459.2** 100.0%	+8.1%	+2.5%
Gross profit (to net sales)	192.6 45.4%	**204.8** 45.7%	+6.3% (+0.3p)	**216.6** 47.2%	+12.5% (+1.8p)	+5.8% (+1.5p)
SG&A (to net sales)	128.6 30.3%	**133.8** 29.9%	+4.0% (▲0.4p)	**137.4** 29.9%	+6.8% (▲0.4p)	+2.7% (+0.0p)
Op. income (to net sales)	64.0 15.1%	**71.0** 15.8%	+10.9% (+0.7p)	**79.2** 17.3%	+23.9% (+2.2p)	+11.6% (+1.5p)

Based on the first half results and revised business forecasts for the second half, our full-year forecasts for the year to August 2008 for UNIQLO Japan are for a rise in net sales of 8.1% and a rise in operating income of 23.9%.

【Dividend】

Yr to Aug 08: ¥130 annual dividend forecast

	Yr to Aug 2007			Yr to Aug 2008		
		Mid-term	Yr-end		Mid-term	Yr-end(fcst)
Dividend per share	130 yen	70 yen	60 yen	**130 yen**	**65 yen**	**65 yen**

※ The dividend could change in the case of large fluctuations in business performance, access to funds.

Finally, we are planning an interim dividend per share of 65 yen and an annual dividend in line with the previous year at 130 yen for the 12 months to August 2008.

To close, a brief note on the attached reference materials. We have provided a table on store opening and closure plans at our consolidated subsidiaries.

Also, as announced in our recent news release, we have decided to open a global flagship store in Paris in Autumn 2009 on Rue de Scribe near the Opera area. We have also announced UNIQLO's entry into the Singapore market.

Releases on these decisions are also provided for your information.

Thank you.

<Reference>

Consolidated subsidiaries store plans

【UNIQLO Stores】	Aug 07 Yr end	Yr to Aug 08 Interim actual Open	Close	Change	End Feb	Full year forecast Open	Close	Change	End Aug
UNIQLO operations	**787**	**45**	**28**	**+17**	**804**	**81**	**51**	**+30**	**817**
UNIQLO Japan:	748	34	25	+9	757	62	48	+14	762
Direct run ※1	730	33	25	+8	738	58	46	+12	742
Large-format	28	10	0	+10	38	22	0	+22	50
Standard-format	692	21	25	▲4	688	34	46	▲12	680
Specialty	10	2	0	2	12	2	0	+2	12
Franchise	18	1	0	+1	19	4	2	+2	20
UNIQLO International:	39	11	3	+8	47	19	3	+16	55
UK:	11	2	0	+2	13	2	0	+2	13
China:	9	2	1	+1	10	6	1	+5	14
USA:	1	0	0	0	1	0	0	0	1
South Korea:	14	3	2	+1	15	7	2	+5	19
Hong Kong:	4	3	0	+3	7	3	0	+3	7
France:	0	1	0	+1	1	1	0	+1	1
G.U.	**50**	**8**	**2**	**+6**	**56**	**11**	**4**	**+7**	**57**
ONEZONE CORPORATION	**332**	**10**	**21**	**▲11**	**321**	**15**	**51**	**▲36**	**296**
VIEWCOMPANY	**-**	**-**	**-**	**-**	**106**	**5**	**5**	**0**	**106**
CDC	**305**	**23**	**3**	**+20**	**325**	**42**	**4**	**+38**	**343**
PRINCESSE TAM.TAM	**131**	**11**	**0**	**+11**	**142**	**25**	**0**	**+25**	**156**
CABIN	**211**	**5**	**21**	**▲16**	**195**	**9**	**24**	**▲15**	**196**
ASPESI	**12**	**0**	**1**	**▲1**	**11**	**0**	**1**	**▲1**	**11**
TOTAL	**1,828**	**102**	**76**	**26**	**1,960**	**188**	**140**	**+48**	**1,982**

Within the UNIQLO direct-run store section, the small UNIQLO ekinaka, ekichika booths in and around stations are included in the standard category of new stores. The specialty store category includes women's underwear BODY by UNIQLO stores, and uniqlo KIDS.