

FR results for the 6 months to February 2009 & outlook for year to end August 2009

Toshihisa Tokunaga

FAST RETAILING CO., LTD.
Director, Corporate Management and Control

1

Thank you for joining us. Let me introduce myself.

I am Toshihisa Tokunaga, Director of the Corporate Management and Control Department at FAST RETAILING.

I would like to take you through the second quarter results for FAST RETAILING for the six months to February 2009 and our business outlook for the full year through end August 2009.

I. Results for 6 mths to Feb 09	P3 ~ P14
II. Estimates for Yr to Aug 09	P15 ~ P22
III. Reference materials	P23

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

※ 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 China, Hong Kong, South Korea, Singapore, UK, US & France.

Japan Apparel: Non-UNIQLO apparel retailers developed mainly for the Japanese market.

This includes CABIN CO., LTD and GOV RETAILING CO., LTD.

Global Brands: Refers to non-UNIQLO brands already being developed globally or with global potential.

This includes COMPTOIRS DES COTONNIERS, PRINCESSE TAM.TAM and LINK THEORY HOLDINGS CO., LTD

【A note on future business estimates】

When compiling business estimates, plans and target figures in this document, the figures that are not historical facts are forward-looking statements that are based on management's judgment in light of currently available information. These business estimates, plans and target figures may vary materially from the actual business results depending on the economic environment, our response to market demand and price competition, and changes in exchange rates.

【Group】 Results for six months to Feb 09

Net sales : ¥357.4bln (+13.0% y/y)
Operating income : ¥69.8bln (+28.7% y/y)
Ordinary income : ¥63.1bln (+18.2% y/y)

Billions of yen

	Yr to Aug 08 Interim Act.	Yr to Aug 09 Interim Actual			
		Latest est. (1/9)	Actual	y/y	v. latest est
Net sales	316.4 100.0%	349.0 100.0%	357.4 100.0%	+13.0%	+2.4%
Gross profit	156.9 49.6%	174.0 49.9%	178.0 49.8%	+13.5% (+0.2p)	+2.3%
SG&A	102.6 32.4%	110.0 31.5%	108.1 30.3%	+5.4% (▲2.2p)	▲1.6%
Operating income	54.2 17.2%	64.0 18.3%	69.8 19.5%	+28.7% (+2.4p)	+9.1%
Ordinary income	53.4 16.9%	60.0 17.2%	63.1 17.7%	+18.2% (+0.8p)	+5.3%
Net income	28.6 9.1%	35.0 10.0%	35.5 9.9%	+24.1% (+0.9p)	+1.6%

Six months to February 2009: goodwill amortization ¥2.3bln
 Six months to February 2008: goodwill amortization ¥2.3bln

3

I would first like to take you through our consolidated business results for the six months to February 2009.

FAST RETAILING saw both its revenue and income soar with net sales rising 13.0% year on year to ¥357.4bln, operating income leaping 28.7% year on year to ¥69.8bln and ordinary income rising 18.2% year on year to ¥63.1bln.



【Group】 1H rise in revenue and income

Net sales ¥357.4bln (+13.0% y/y)

- UNIQLO Japan +¥42.9bln
- UNIQLO Intl +¥2.8bln
- Japan Apparel (VIEW consol.) +¥1.6bln
- Global Brands ▲¥7.1bln

Gross profit to net sales ratio 49.8% (+0.2p y/y)

- UNIQLO Japan GP ratio improved +0.9p

SG&A to net sales ratio 30.3% (▲2.1p y/y)

- UNIQLO Japan SG&A ratio improved ▲2.4p

Operating income ratio 19.5% (+2.3p y/y)

Ordinary income ratio 17.7% (+0.8p y/y)

- Loss on foreign exchange generated by yen strengthening ▲¥5.3bln
- Equity-method investment loss ▲¥1.3bln

4

Consolidated net sales rose 13.0% or ¥41.0bln in the first half to total ¥357.4bln.

The main factors underlying this performance were a ¥42.9bln rise in sales at UNIQLO Japan, a ¥2.8bln rise in sales at UNIQLO International and a ¥1.6bln increase in revenue at the Japan Apparel segment following the full-year incorporation of the VIEW business from this fiscal year. On the other hand, the economic slowdown in Europe and the impact of weaker yen have adversely affected the Global Brands operation resulting in a ¥7.1bln fall in revenue.

Our gross profit to net sales ratio improved by 0.2 points compared to the previous year. That was due in the main to a 0.9 points improvement in the margin at UNIQLO Japan.

SG&A costs increased by ¥5.5bln compared to the same period last year. However, the SG&A to net sales ratio improved by 2.1 points due in the main to a 2.4 points improvement in the SG&A ratio at UNIQLO Japan where sales were favorable.

As a result, operating profit increased 28.7% year on year to ¥69.8bln, and the operating profit to net sales ratio improved 2.3 points year on year to 19.5%.

Ordinary income increased 18.2% year on year to ¥63.1bln, and the ordinary income to net sales ratio improved just 0.8 points year on year to 17.7%.

Several factors kept gains in ordinary income in check in the first half. One was the ¥5.3bln exchange rate variance loss resulting from valuation differences on loans to overseas subsidiaries as the yen strengthened. Another was the net loss of ¥4.4bln generated by FR's equity-method affiliate LINK THEORY HOLDINGS and accounted as a ¥1.3bln equity-method investment loss.

1H results by operation

Billions of yen

		Yr to Aug 08	Yr to Aug 09	
		Interim Actual	Interim Actual	y/y
UNIQLO Japan	Net sales	253.2	296.2	+17.0%
	OP <small>(to net sales)</small>	50.5 20.0%	68.8 23.2%	+36.1% +3.2p
UNIQLO International	Net sales	15.8	18.6	+17.9%
	OP <small>(to net sales)</small>	0.7 4.8%	1.6 8.6%	+110.9% +3.8p
Japan Apparel	Net sales	22.7	24.4	+7.3%
	OP <small>(to net sales)</small>	▲ 1.1 -	▲ 1.1 -	- -
Global Brands	Net sales	24.0	16.9	▲29.6%
	OP <small>(to net sales)</small>	5.2 21.8%	2.4 14.7%	▲52.7% ▲7.1p

※Applied exchange rate

Six months to February 2009:

1USD= 96.0 yen 1EUR=127.6 yen 1GBP=148.8 yen 100KRW= 7.1 yen

Six months to February 2008:

1USD= 110.9 yen 1EUR=162.5 yen 1GBP=224.5 yen 100KRW=12.0 yen

This slide shows our business results for the six months to February broken down by operation.

Profit soars on back of strong sales

Net sales: ¥296.2bln (+17.0% y/y)

Gross profit: ¥143.7bln (+19.1% y/y)

Operating income: ¥68.8bln (+36.1% y/y)

Billions of yen

	Yr to Aug 08	Latest est. (1/9)	Yr to Aug 09		
	Interim Actual		Actual	y/y	v.latest est.
Net sales (to net sales)	253.2 100.0%	285.0 100.0%	296.2 100.0%	+17.0%	+3.9%
Gross profit (to net sales)	120.6 47.6%	137.7 48.3%	143.7 48.5%	+19.1% (+0.9p)	+4.4%
SG&A (to net sales)	70.0 27.7%	73.7 25.9%	74.9 25.3%	+6.9% (▲2.4p)	+1.7%
Operating income (to net sales)	50.5 20.0%	64.0 22.5%	68.8 23.2%	+36.1% (+3.2p)	+7.5%

6

Let us take the UNIQLO Japan operation first. UNIQLO Japan enjoyed a substantial increase in both revenue and income in the first half with net sales rising 17.0% year on year to ¥296.2bln and operating income soaring 36.1% year on year to ¥68.8bln.

Following a strong performance in the first quarter, winter goods continued to sell well into the second quarter. The launch of spring garments also proved favorable helping to boost sales ¥11.2bln beyond latest estimate and helping gross profit outperform by ¥6.0bln. At the same time, the increase in SG&A costs was kept in check at ¥1.2bln, helping operating income exceed target by ¥4.8bln.

【UNIQLO Japan】 Net sales

1H net sales ¥296.2bln (+17.0% y/y)

- 1H existing store sales +12.9% (customer nos +9.2%, average purchase +3.4%)

3 mths to Nov 08 Existing store sales +17.7% y/y (" +10.8%, " +6.2%)

3 mths to Feb 09 Existing store sales + 7.9% y/y (" 7.5%, " +0.4%)

Why more customers: Aggressive sales campaigns proved effective

2 additional campaigns during the 6-month period

(Micro Fleece Room Set Campaign, PARKA Campaign)

- Increase of 8 direct-run stores (746 stores at end February 2009※)

y/y change		Yr to Aug 09						
		1Q	Dec	Jan	Feb	2Q	1H Cum.	Mar
Existing stores	Net sales	+17.7%	+10.3%	+5.7%	+4.2%	+7.9%	+12.9%	+7.9%
	Customer nos.	+10.8%	+9.8%	+6.0%	+4.1%	+7.5%	+9.2%	+8.7%
	Avg. purchase	+6.2%	+0.4%	▲0.3%	+0.0%	+0.4%	+3.4%	▲0.7%

※ Excluding 20 franchise stores

7

The main reason for the 17.0% year-on-year increase in overall sales was a 12.9% jump in existing store sales. Breaking this figure down further, customer numbers rose 9.2% year on year and the average purchase price per customer increased 3.4% year on year over the six month period.

In the first quarter, the three months to November 2008, existing store sales rose 17.7% year on year.

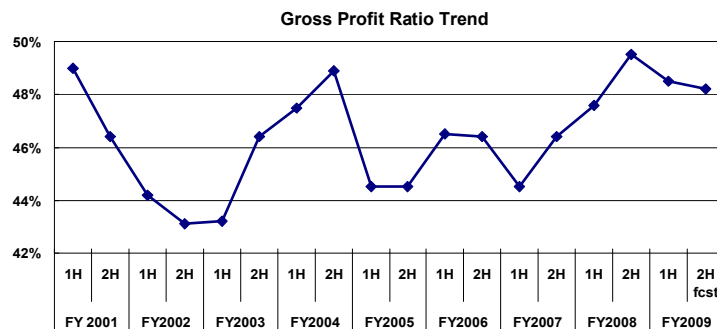
Existing store sales rose 7.9% in the second quarter, the three months to February 2009, with customer numbers increasing by 7.5% year on year and the average purchase price per customer gaining 0.4%.

We believe that our continued aggressive commitment to advertising campaigns through the first and second quarters helped attract more customers to our stores. During the first six months, we conducted two additional campaigns, namely the Micro Fleece Room Set Campaign and the PARKA Campaign.

To give you some more recent data, existing store sales continue strong in March with a year-on-year gain of 7.9%.

1H gross profit to net sales ratio 48.5% (+0.9p y/y)

- Continued control over discounts, limited-period sales
- Successful early launch of fall, winter, spring ranges
- Reduced discount sales on the back of strong sales



Our gross profit to net sales ratio at UNIQLO Japan improved 0.9 points year on year to 48.5% for the six months to February 2009.

Contributing factors here were the firm control maintained over discounting and limited-period sales, along with the successful early launch of successive seasonal ranges over the six month period starting with the fall range, then the winter range and finally the spring season's range.

We were also able to continue to reduce discount sales thanks to our very strong sales performance.

1H SG&A to net sales ratio 25.3% (▲2.4p y/y)

- Personnel ▲1.2p strong sales, large store efficiency gains
(▲0.2p business function transfer to FR HD)
- Store rents ▲0.5p Improved efficiency at fixed rent stores

	6 mths to Feb 08		6 mths to Feb 09			
	Actual	(% sales)	Actual	(% sales)	Change	(% sales)
SG&A Total	70.0	27.7%	74.9	25.3%	+4.8	▲2.4p
Personnel	24.6	9.7%	25.2	8.5%	+0.5	▲1.2p
A&P	11.0	4.4%	12.7	4.3%	+1.7	▲0.1p
Store rents	18.5	7.3%	20.1	6.8%	+1.6	▲0.5p
Depreciation	1.2	0.5%	1.4	0.5%	+0.1	+0.0p
Other	14.5	5.8%	15.3	5.2%	+0.8	▲0.6p

9

Total SG&A costs increased by ¥4.8bln year on year over the six month period through February 2009. However, the SG&A to net sales ratio improved by 2.4 points to 25.3%.

The personnel ratio improved 1.2 points year on year as net sales outperformed and operational efficiency improved particularly at our large-format stores.

The personnel ratio also fell 0.2 points due to the transfer of some business functions to the FAST RETAILING holding company. That proportion is included under other items as commissions.

The store rent to net sales ratio improved 0.5 points.

Roadside stores constitute roughly 60% of our total store numbers and the majority of those stores are on fixed rent contracts.

Efficiency gains were made therefore as existing store sales expanded favorably over the period.

Asian revenue expansion, OP outperforms

- **Asia: favorable expansion (39 stores end Aug 08, 55 stores end Feb 09)**
 - China/Hong Kong - store opening on track, sales and OP outperform
 - South Korea - favorable sales (won base), improved profitability as prices increased on some products
- **Europe/USA: reduced UK loss (15 stores end Aug 08, 16 stores end Feb 09)**
 - USA - running to plan
 - UK - double digit rise in pound based existing store sales, reduced loss
 - France – loss on global flagship opening preparation costs

Billions of yen

		Yr to Aug 08	Yr to Aug 09	
		6 mths to Feb 08 Actual	6 mths to Feb 09 Actual	y/y
UNIQLO International	Net sales	15.8	18.6	+17.9%
	OP	0.7	1.6	+110.9%
	(to net sales)	4.8%	8.6%	+3.8p

UNIQLO International saw net sales increase 17.9% year on year to ¥18.6bln and operating profit increase ¥0.9bln to ¥1.6bln.

Net sales fell short of target due to the impact of the stronger yen, but, viewed on a local currency basis in individual countries, sales performed favorably across the board. Asia's performance was particularly strong with both sales and income proving strong and operating income exceeding target even in yen terms.

In China and Hong Kong, we succeeded in opening the planned 9 new stores, and both sales and income exceeded target.

In South Korea, net sales exceeded target in local currency terms, but fell short of target when translated into yen terms due to the strengthening of the yen against the Korean won. The weakness in the won adversely affected profitability in the first quarter through November 2008. However, profitability improved after price rises were implemented on certain products at the year end. As a result, operating profit for the full six months to February 2009 generated by the South Korean operation actually exceeded target.

Net sales and income are performing to plan at our US operation.

In the UK, existing store sales on a pound basis are maintaining their double-digit growth and losses at the operation are being reduced.

Our French operation is generating an operating loss at this time given the preparation costs required for the opening of our global flagship in the Opera district, Paris.

1H operating loss, continued business reform

- CABIN Operating loss as sales under perform in poor market

- GOV RETAILING Continued mgt reform, performance to plan

g.u. Revenue up, profitability improved

Footwear Sales fall slightly short of target

(Footwear business includes FOOTPARK & VIEW)

Billions of yen

		Yr to Aug 08	Yr to Aug 09	
		6 mths to Feb 08 Actual	6 mths to Feb 09 Actual	y/y
Japan Apparel	Net sales	22.7	24.4	+7.3%
	OP	▲ 1.1	▲ 1.1	-
	(to net sales)	-	-	-

11

Moving onto our Japan Apparel operation, net sales in the six months to February 2009 increased 7.2% year on year to ¥24.4bln, but its operating loss held flat at ¥1.1bln.

The business environment for women's fashion retailer CABIN worsened over the period causing net sales to fall short of target.

As a result, CABIN generated an operating loss for the six months to February 2009.

Management reform continues at GOV RETAILING with the component's operating loss being reduced as planned.

g.u. existing store sales were strong and profitability at the operation is improving. Unique g.u. trademark products such as cashmere- touch knit capes helped boost its performance.

Sales at footwear operators FOOTPARK and VIEW fell slightly short of target.

Income down on economic downturn/strong yen

- COMPTOIR DES COTONNIERS runs to plan

Euro based sales rise slightly (Europe down, Japan up), OP down

- PRINCESSE TAM.TAM runs to plan

Extracting change in fiscal year end, Euro based sales flat, OP down
(1H to Feb 08 consolidated 8 months (Jul 07 - Feb 08) of results)

Billions of yen

		Yr to Aug 08	Yr to Aug 09	
		6 mths to Feb 08 Actual	6 mths to Feb 09 Actual	y/y
Global Brands	Net sales	24.0	16.9	▲29.6%
	OP	5.2	2.4	▲52.7%
	(to net sales)	21.8%	14.7%	▲7.1p

※ Due to a change in fiscal year end, net sales of approx. ¥2.7bln and an operating profit of approx. ¥0.6bln for Jul – Aug 07 are also included in the PRINCESSE TAM.TAM data for the 6 months to Feb 08.

※ We have accounted as a non-operating loss an investment loss of 1.3 billion yen for the period from Sep 08 – Feb 09 generated by our equity method affiliate LINK THEORY HOLDINGS CO., LTD.. 12

At our Global Brands operation, net sales fell 29.6% year on year to ¥16.9bln in yen terms and operating income fell 52.7% to ¥2.4bln on the back of the European economic slowdown and the strong yen. Viewed in euro terms, net sales actually rose slightly year on year and the year-on-year fall in operating income was less at approximately 30%.

Revenue for COMPTOIR DES COTONNIERS overall rose marginally in euro terms. Breaking that figure down by region: existing store sales fell by approximately 10% in Europe pushing revenue down for Europe as a whole. However, sales of the brand expanded favorably in Japan. Operating income in euro terms fell approximately 20% year on year, but both sales and income performed roughly in line with expectations.

Extracting the change in business year end at PRINCESSE TAM.TAM, net sales in euro terms were roughly flat and operating income fell. But both these results were in line with expectations.

We also accounted a ¥1.3bln equity-method investment loss as a non-operating expense in relation to our equity-method affiliate LINK THEORY HOLDINGS.

【Group】 Balance sheet at end Feb 09

Billions of yen

	End Aug 08	End Feb 09	Change
Total Assets	404.7	462.9	+58.2
Current Assets	263.6	324.9	+61.2
Fixed Assets	141.0	137.9	▲3.0
Liabilities	140.7	204.4	+63.6
Net Assets	264.0	258.5	▲5.4

I would now like to run you through our balance sheet as it stands at end February 2009.

Compared to end August 2008, current assets have increased by ¥61.2bln, fixed assets have decreased by ¥3.0bln. This resulted in an overall increase of ¥58.2bln in total assets to ¥462.9bln.

The next slide takes you through the main balance sheet items in more detail.

Increase in cash and equivalents, marketable securities +¥56.9bln
(¥170.1bln ⇒ ¥227.0bln)

【UNIQLO Japan】 Increased operating cash flow

Increase in inventory assets +¥2.7bln (¥53.7bln ⇒ ¥56.5bln)

【UNIQLO Japan】 Balance at end Feb 09 ¥41.5bln (+¥5.2bln v. end Aug 08)
(+ ¥3.6bln y/y) increased store inventory of spring/summer core items

Decrease in tangible assets ▲¥1.3bln (¥40.3bln ⇒ ¥38.9bln)

【UNIQLO Japan】 +¥0.5bln 【UNIQLO Intl】 ▲¥1.0bln
【Global Brands】 ▲¥1.0bln

Reduced forward exchange contracts (assets) ▲¥44.4bln

(Assets ¥6.6bln ⇒ Liabilities ¥37.8bln)

【UNIQLO Japan】 Stronger yen trend. No impact on PL.

14

Taking current assets first, total cash and equivalents and marketable securities increased by ¥56.9bln compared to end August 2008 to ¥227.0bln. This was due to an increased operating cash flow at UNIQLO Japan.

Inventory assets increased by ¥2.7bln compared to end August 2008 to ¥56.5bln.

Inventory assets at UNIQLO Japan increased by ¥5.2bln compared to end August 2009 to ¥41.5bln. That is a ¥3.6bln increase compared to end February 2008. And this was due to an increase in in-store inventory of core spring/summer items.

Tangible assets decreased by ¥1.3bln compared to end August 2008.

Tangible assets at UNIQLO Japan increased by ¥0.5bln as new stores were opened. But tangible assets fell by ¥1.0bln at both UNIQLO International and Global Brands on the back of the stronger yen.

Forward exchange contracts reduced by ¥44.4bln compared to end August 2008. This was due to the stronger yen trend and therefore has no impact on our PL position.

Upward revision for sales and op income

Billions of yen

	Yr to Aug 08 Actual	Yr to Aug 09		Yr to Aug 09		
		Latest est. (1/9)	y/y	Revised est. (4/9)	y/y	v. latest est.
Net sales	586.4	627.0	+6.9%	660.0	+12.5%	+5.3%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	293.6	313.0	+6.6%	329.5	+12.2%	+5.3%
(to net sales)	50.1%	49.9%	(▲0.2p)	49.9%	(▲0.2p)	(+0.0p)
SG&A	206.1	214.0	+3.8%	228.5	+10.8%	+6.8%
(to net sales)	35.2%	34.1%	(▲1.1p)	34.6%	(▲0.5p)	(+0.5p)
Operating income	87.4	99.0	+13.2%	101.0	+15.4%	+2.0%
(to net sales)	14.9%	15.8%	(+0.9p)	15.3%	(+0.4p)	(▲0.5p)
Ordinary income	85.6	95.0	+10.9%	95.0	+10.9%	+0.0%
(to net sales)	14.6%	15.2%	(+0.6p)	14.4%	(▲0.2p)	(▲0.8p)
Others	▲ 3.7	▲ 1.4	-	▲ 1.4	-	-
(to net sales)	▲0.6%	▲0.2%	(+0.4p)	▲0.2%	(+0.4p)	(▲0.0p)
Net income	43.5	50.0	+14.9%	50.0	+14.9%	+0.0%
(to net sales)	7.4%	8.0%	(+0.6p)	7.6%	(+0.2p)	(▲0.4p)

Year to August 2009 – estimate: capital expenditure: ¥22.0bln depreciation: ¥10.0bln
 Year to August 2008 – actual: capital expenditure: ¥21.0bln depreciation: ¥8.5bln

15

Next, I would like to explain about our business forecasts for the full year through end August 2009.

We have revised up our forecasts for net sales and operating income. Our forecast for net sales has been revised up from the recent estimate of ¥627.0bln to ¥660.0bln.

Our forecast for operating income has been increased from ¥99.0bln to ¥101.0bln.

Please note however that we have made no change to our ¥95.0bln forecast for ordinary income and our ¥50.0bln forecast for net income.

**Net sales revised up by ¥19.0bln
operating income by ¥5.0bln**

Billions of yen

	Yr to Aug 08	Yr to Aug 09		Yr to Aug 09		
	Actual	Latest est. (1/9)	y/y	Revised est. (4/9)	y/y	v. latest est.
Net sales (to net sales)	462.3 100.0%	502.0 100.0%	+8.6%	521.0 100.0%	+12.7%	+3.8%
Gross profit (to net sales)	224.1 48.5%	243.0 48.4%	+8.4% (▲0.1p)	251.7 48.3%	+12.3% (▲0.2p)	+3.6% (▲0.1p)
SG&A (to net sales)	137.6 29.8%	143.0 28.5%	+3.9% (▲1.3p)	146.7 28.2%	+6.5% (▲1.6p)	+2.6% (▲0.3p)
Operating income (to net sales)	86.4 18.7%	100.0 19.9%	+15.7% (+1.2p)	105.0 20.2%	+21.5% (+1.5p)	+5.0% (+0.3p)

16

We reflected the actual results for the second quarter to February 2009 and revised our forecasts from the third quarter onwards for UNIQLO Japan. Our full year sales estimate for the operation now stands at ¥521.0bln and the estimate for operating income at ¥105.0bln.

This represents an upward revision in net sales of ¥19.0bln and ¥5.0bln for operating income.

[UNIQLO Japan] Forecast Assumptions

	Yr to Aug 08 Actual	Yr to Aug 09			
		Latest est. (1/9)	Revised est.		
			(4/9)	y/y	v. latest est.
Net sales	462.3 ¥bn	502.0 ¥bn	521.0 ¥bn	+12.7%	+3.8%
Existing store growth (Full year)	+2.9%	+5.8%	+8.2%	+5.3p	+2.4p
1H (Actual)	+1.5%	+9.6%	+12.9%	+11.4p	+3.3p
2H (estimate)	+4.8%	+1.0%	+2.3%	▲2.5p	+1.3p
Gross margin (Full year)	48.5%	48.4%	48.3%	▲0.2p	▲0.1p
1H (Actual)	47.6%	48.3%	48.5%	+0.9p	+0.2p
2H (estimate)	49.5%	48.5%	48.0%	▲1.5p	▲0.5p
SG&A ratio (Full year)	29.8%	28.5%	28.1%	▲1.7p	▲0.4p
1H (Actual)	27.7%	25.9%	25.3%	▲2.4p	▲0.6p
2H (estimate)	32.3%	31.9%	31.9%	▲0.4p	+0.0p

17

In this slide here, you can see how we have revised the forecast assumptions for UNIQLO Japan.

First, we have revised up our estimate for existing store growth to 2.3% year on year compared to the most recent forecast growth of 1.0%.

We have also increased the expected rise in revenue generated by new stores. This reflects our plans to open mega stores with a greater scale of sales such as the Shinjuku West Exit Store opening in April 2009.

Following the extremely high ratio of gross profit to net sales achieved in the second half of last year on the back of the strong launch of autumn garments, we were already predicting a 1.0 point fall in the second half of the year to August 2009. And now, given our expectations for an increasingly tough market environment and severe price competition going forward, we have revised that ratio down from the most recent estimate of 48.5% to 48.0%.

Business expansion v. exchange rate impact

- Net sales revised down on back of stronger yen
- Operating income revised up as profits rise in Asia

Billions of yen

		Yr to Aug 08	Yr to Aug 09		Yr to Aug 09		
		Actual	Latest est. (1/9)	y/y	Revised est. (4/9)	y/y	v. latest est.
UNIQLO International	Net sales	29.3	41.0	+39.7%	37.0	+26.1%	▲9.8%
	OP	0.3	1.0	+177.8%	1.5	+316.7%	+50.0%
	(to net sales)	1.2%	2.4%	+1.2p	4.1%	+2.9p	+0.0p

※Exchange rate assumptions for six months to August 2009

1USD = 95.0 yen 1EUR = 125.0 yen 1GBP = 140.0 yen 100KRW = 7.5 yen

18

Moving onto UNIQLO International, if we view the businesses on a local currency basis, the entire operation is expanding favorably with net sales exceeding initial plans. However, the yen has strengthened compared to our initial estimate at the beginning of the period and so we have revised down our forecast for UNIQLO International net sales for the full year through August 2009 from ¥41.0bln to ¥37.0bln. This is due in the main to weakness in the Korean Won and the British Pound.

Conversely, we have revised up our full year estimate for operating income from ¥1.0bln to ¥1.5bln following as the Asian region outperformed in the first half through February.



【Japan Apparel】 Forecast for Yr to Aug 09

CABIN revised down, GOV RETAILING on plan

- CABIN falls into the red as fashion industry hits tough times
concentrate mgt resources on main ZAZIE, enraciné brands
- GOV RETAILING – continue management reform
g.u.: Continue to introduce low-priced items such as ¥990 Jeans
Shoes: Boost profitability by improving in-house designed shoes,
sharper product planning and closure of unprofitable stores
(Footwear operation: FOOTPARK, VIEW)

Billions of yen

		Yr to Aug 08	Yr to Aug 09		Yr to Aug 09		
		Actual	Latest est. (1/9)	y/y	Revised est. (4/9)	y/y	v. latest est.
Japan Apparel	Net sales	49.4	50.0	+1.0%	48.0	▲3.0%	▲4.0%
	OP (to net sales)	▲ 2.8	▲ 1.0	-	▲ 2.0	-	-

I would now like to move onto our forecast for the Japan Apparel operations. We are predicting net sales of ¥48.0bln and an operating loss of ¥2.0bln. This represents a downward revision in net sales of ¥2.0bln and an expansion of the expected operating loss from the original forecast of ¥1.0bln.

At CABIN, we have been concentrating management resources on the mainstay ZAZIE and enraciné brands. However, we expect market conditions in the fashion industry to continue severe. Therefore, we are revising down our full-year sales and operating income expectations and now predict an operating loss for the full year.

There is no change to our full year estimate for GOV RETAILING.

Our new ¥990 yen Jeans recently launched by g.u. have proved a success and we plan to continue to introduce new low-priced products on a regular basis. We are expecting the number of g.u. stores to have increased by 12 stores by the end of the business year in August.

Market conditions continue to be difficult for our footwear retail chains FOOTPARK and VIEW. However, we are aiming to boost profitability by continuing efforts to improve the quality of in-house designed shoes, implement effective product planning, and close down unprofitable stores.

LINK THEORY as a consolidated company

- COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM Unchanged

Full year net sales: ¥31.0bln, operating income: ¥3.0bln

※ Net sales flat, OP down by 30% y/y in Euro terms,
full year existing store sales ▲13% y/y, impact of stronger yen ▲23% y/y

- LINK THEORY HOLDINGS consolidated from 2H

2H net sales: ¥20.3bln, operating loss: ▲¥0.6bln

※ 2H consolidated goodwill amortization: ¥1.2bln

Billions of yen

		Yr to Aug 08	Yr to Aug 09		Yr to Aug 09		
		Actual	Latest est. (1/9)	y/y	Revised est. (4/9)	y/y	v. latest est.
Global Brands	Net sales	43.7	31.0	▲29.1%	51.3	+17.3%	+65.5%
	OP	7.7	3.0	▲61.3%	2.4	▲69.1%	▲20.0%
	(to net sales)	17.7%	9.7%	▲8.0p	4.7%	▲13.0p	▲5.0p

※ COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM 2H exchange rate assumption 1EUR = 125.0 yen

※ LINK THEORY HOLDINGS 2H exchange rate assumption 1USD = 91.0 yen

※ Goodwill generated by additional LINK THEORY HD share acquisition: ¥14.5bln (6 yr amortization) 20

Expected impact on consolidated results in the 6 months to Aug 09: approx. ¥1.2bln.

Moving onto our Global Brands operation, given that net sales and operating income are moving in line with latest forecasts at French brands COMPTOIRS DES COTONNIERS and PRINCESSE TAM.TAM, we have not made any revision to our full year sales estimate of ¥31.0bln and operating income estimate of ¥3.0bln.

We are predicting that both operations will experience a 13% year-on-year fall in existing store sales for the full year.

In addition, we expect the stronger yen impact to drag down full year business performance by approximately 23%.

The take over bid for LINK THEORY HOLDINGS was completed on March 12. Therefore, the company will be incorporated as an FR subsidiary into the consolidated accounts from the second half. We expect the impact of this shift to equate to a ¥20.3bln boost for net sales and an operating loss of ¥0.6bln.

Taken overall, these expectations have led us to revise our forecasts for the Global Brands. We are now predicting net sales of ¥51.3bln and operating income of ¥2.4bln.

Goodwill amortization linked to the additional purchase of LINK THEORY HOLDINGS stock has generated a goodwill total of ¥14.5bln with a six year amortization period. Therefore, we foresee an ¥1.2bln impact on consolidated results for the year through end August 2009.

Yr to Aug 09 forecasts by operation

UNIQLO Japan: Upward revision
UNIQLO Intl: Sales revised down, OP up
Japan Apparel: Downward revision
Global Brands: Inclusion of LINK THEORY

Billions of yen

		Yr to Aug 08	Yr to Aug 09		Yr to Aug 09		
		Actual	Latest est. (1/9)	y/y	Revised est. (4/9)	y/y	v. latest est.
UNIQLO Japan	Net sales	462.3	502.0	+8.6%	521.0	+12.7%	+3.8%
	OP (to net sales)	86.4 18.7%	100.0 19.9%	+15.7% +1.2p	105.0 20.2%	+21.5% +1.5p	+5.0% +0.3p
UNIQLO International	Net sales	29.3	41.0	+39.7%	37.0	+26.1%	▲9.8%
	OP (to net sales)	0.3 1.2%	1.0 2.4%	+177.8% +1.2p	1.5 4.1%	+316.7% +2.9p	+50.0% +0.0p
Japan Apparel	Net sales	49.4	50.0	+1.0%	48.0	▲3.0%	▲4.0%
	OP (to net sales)	▲2.8 -	▲1.0 -	- -	▲2.0 -	- -	- -
Global Brands	Net sales	43.7	31.0	▲29.1%	51.3	+17.3%	+65.5%
	OP (to net sales)	7.7 17.7%	3.0 9.7%	▲61.3% ▲8.0p	2.4 4.7%	▲69.1% ▲13.0p	▲20.0% ▲5.0p

Yr to August 2009 Estimate: Goodwill amortization ¥6.0bln
Yr to August 2008 Actual: Goodwill amortization ¥5.3bln

21

Bearing in mind all of the elements discussed so far, this slide shows our business forecasts for the year through end August by operation.

As you can see, we have revised up our forecasts for both net sales and operating income at UNIQLO Japan.

At UNIQLO International, we have revised down our net sales forecasts but have revised up our forecast for full-year operating income.

Downward revisions at Japan Apparel have resulted in a lower forecast for net sales and a larger estimated operating loss for the year.

We have revised up our net sales forecasts and revised down our operating income forecast for the Global Brands as LINK THEORY HOLDINGS becomes a consolidated FR subsidiary.

【Dividend】

Yr to Aug 09 estimated annual dividend ¥150

	Yr to Aug 2008 (Actual)		Yr to Aug 2009		
		Mid-term	Yr-end	Mid-term	Yr-end(fcst)
Dividend per share	130yen	65yen	65yen	150yen	75yen

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

Finally, we have made no changes to our predicted dividend payout for the year.

We have set an interim dividend of 75 yen per share for the year to August 2009.

That represents a full year dividend per share of 150 yen, up 20 yen compared to the previous year.

The remaining slide provides reference material on our store plans by group company.

That concludes my presentation for today and I thank you for your attention.

Store plans by group company

Units:Stores	Aug 08 Actual Yr end	Yr to Aug 09							
		Interim Actual				Full year forecast			
		Open	Close	Change	End Feb	Open	Close	Change	End Aug
UNIQLO Operations	813	44	20	+24	837	99	37	+62	875
UNIQLO Japan:	759	26	19	+7	766	59	35	+24	783
Direct run	740	25	19	+6	746	58	35	+23	763
Large-format	50	11	0	+11	61	21	0	+21	71
Standard-format	678	14	19	▲5	673	37	35	+2	680
Specialty	12	0	0	0	12	0	0	0	12
FC	19	1	0	+1	20	1	0	+1	20
UNIQLO International:	54	18	1	+17	71	40	2	+38	92
China:	13	6	0	6	19	21	1	+20	33
Hong Kong:	8	3	0	3	11	3	0	+3	11
Korea:	18	7	0	7	25	12	0	+12	30
Singapore:	0	0	0	0	0	2	0	+2	2
UK:	13	2	1	+1	14	2	1	1	14
USA:	1	0	0	0	1	0	0	0	1
France	1	0	0	0	1	0	0	0	1
CABIN	190	25	18	+7	197	40	25	+15	205
GOV retailing	457	11	54	▲43	414	30	122	▲92	365
G.U.	58	6	7	▲1	57	23	11	+12	70
FOOTPARK	294	2	38	▲36	258	4	91	▲87	207
VIEW	105	3	9	▲6	99	3	20	▲17	88
LINK THEORY HOLDINGS	-	-	-	-	-	7	12	▲5	227
COMPTOIR DES COTONNIERS	348	16	2	+14	362	21	7	+14	362
PRINCESSE TAM.TAM	150	14	0	14	164	17	2	+15	165
Total	1,958	110	94	16	1,974	214	205	+9	2,194