

Results for the Nine Months to May 2010 & Forecast for the Year to August 2010

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My name is Hidetsugu Onishi and I am group officer and CFO of FAST RETAILING.

I would like to take you through our consolidated business performance for the third quarter of 2010, as well as our business estimates for the full business year through the end of August 2010.

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A note on the display of group operations in this documentation:

Group operations are outlined below.

UNIQLO Japan: Figures for UNIQLO CO., LTD.

UNIQLO International: Includes UNIQLO operations in China, Hong Kong, South Korea, Singapore, UK, US, France and Russia. Owing to a change in the business year, 14 months of data (June 09-Aug 10) from our Chinese operation are being accounted into the FR business year to end August 2010.

Japan Apparel: Non-UNIQLO apparel retailers developed for the Japanese market, including g.u., Shoes and CABIN.

Global Brands: Refers to non-UNIQLO brands already being developed globally or with global potential, including Theory, COMPTOIRS DES COTONNIERS and PRINCESSE TAM.TAM.

A note on business forecasts:

When compiling business forecasts, 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 demands and price competition as well as changes in exchange rates.

【Group】 Nine Months to May 2010

1Q-3Q cumulative
 Net sales : ¥659.0bln (+22.7% y/y)
 Operating income : ¥123.4bln (+27.1% y/y)
 Ordinary income : ¥118.9bln (+30.0% y/y)

Billions of yen

	Nine months to May 2010 (Sep. 2009 - May 2010)			Three months to May 2010 (Mar. 2010 - May 2010)		
	Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Net sales	659.0	537.0	+22.7%	188.0	179.6	+4.7%
(to net sales)	100.0%	100.0%		100.0%	100.0%	
Gross profit	344.1	269.5	+27.7%	97.8	91.5	+6.9%
(to net sales)	52.2%	50.2%	(+2.0p)	52.0%	51.0%	(+1.0p)
SG&A	220.6	172.3	+28.0%	74.2	64.1	+15.7%
(to net sales)	33.5%	32.1%	(+1.4p)	39.5%	35.7%	(+3.8p)
Operating income	123.4	97.1	+27.1%	23.6	27.3	-13.6%
(to net sales)	18.7%	18.1%	(+0.6p)	12.6%	15.2%	(-2.6p)
Ordinary income	118.9	91.5	+30.0%	22.4	28.3	-20.8%
(to net sales)	18.1%	17.0%	(+1.1p)	11.9%	15.8%	(-3.9p)
Net income	67.1	49.6	+35.2%	11.8	14.1	-16.3%
(to net sales)	10.2%	9.3%	(+0.9p)	6.3%	7.9%	(-1.6p)

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I would first like to explain our cumulative third quarter business results covering the nine months from September 2009 through May 2010.

FAST RETAILING achieved increases in both revenue and profit for the nine month period with net sales rising 22.7% year on year to ¥659.0bln, operating income rising 27.1% to ¥123.4bln, and ordinary income increasing 30.0% to ¥118.9bln.



【Group】 1Q-3Q Rise in Sales and Profit

Net sales **¥659.0bln** (+22.7% y/y)

- UNIQLO Japan + ¥64.8bln
- UNIQLO International + ¥30.4bln
- Global Brands + ¥30.7bln

Gross profit margin **52.2%** (+2.0p y/y)

- Improvement at UNIQLO Japan +1.6p

SG&A ratio **33.5%** (+1.4p y/y)

- Expansion in high SG&A ratio operations: UNIQLO Intl & Global Brands

Operating income margin **18.7%** (+0.6p y/y)

Ordinary income margin **18.1%** (+1.1p y/y)

- Foreign exchange losses generated by a stronger yen -¥3.9bln

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Looking first at consolidated net sales for the nine months through May 2010 which increased by ¥122.0bln or 22.7% year on year to ¥659.0bln.

Factors underlying this rise in overall revenue include: a strong ¥64.8bln increase in sales at UNIQLO Japan, a ¥30.4bln increase in sales at UNIQLO International and a ¥30.7bln increase in sales from our Global Brand segment which includes our Theory operation, consolidated since the third quarter 2009.

Gross profit margin improved by 2.0 points year on year to 52.2%. This was primarily due to a 1.6 point rise in the gross profit margin at UNIQLO Japan. SG&A costs increased by ¥48.2bln year on year and the SG&A ratio rose 1.4 points. This is because of the increase in the weight of UNIQLO International and Global Brands as a part of our overall business and due to their comparatively high SG&A ratios.

As a result of the above factors, consolidated operating income increased by 27.1% to ¥123.4bln, and the operating income margin improved 0.6 points to 18.7%.

In addition, ordinary income rose 30.0% year on year in the nine months to May to ¥118.9bln, generating a 1.1 point improvement in the ordinary income margin to 18.1%.

In terms of non-operating income, the main item was a ¥3.9bln foreign exchange loss on loans to overseas subsidiaries. However, this total was less than in the same period of the previous year.

1Q-3Q Performance by Group Operation

Billions of yen

		Nine months to May 2010 (Sep. 2009 - May 2010)			Three months to May 2010 (Mar. 2010 - May 2010)		
		Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
UNIQLO Japan	Net sales	497.5	432.6	+15.0%	137.3	136.4	+0.7%
	Operating income	117.1	96.4	+21.4%	23.3	27.6	-15.6%
	(to net sales)	23.5%	22.3%	+1.2p	17.0%	20.3%	-3.3p
UNIQLO International	Net sales	58.6	28.1	+108.3%	18.1	9.4	+91.0%
	Operating income	6.5	1.8	+245.4%	0.6	0.2	+118.1%
	(to net sales)	11.1%	6.7%	+4.4p	3.3%	2.9%	+0.4p
Japan Apparel	Net sales	35.8	38.8	-7.8%	11.6	14.4	-19.5%
	Operating income	-0.5	-0.5	-	0.5	0.6	-15.6%
	(to net sales)	-	-	-	4.5%	4.3%	+0.2p
Global Brands	Net sales	66.3	35.5	+86.6%	20.7	18.6	+11.7%
	Operating income	6.6	3.1	+108.2%	2.2	0.7	+219.1%
	(to net sales)	10.0%	9.0%	+1.0p	10.9%	3.8%	+7.1p

This slide shows a breakdown of net sales and operating income over the nine months through May 2010 by group operation.

I shall go through these in more detail in subsequent slides.

1Q-3Q cumulative **Strong rise in sales & profit**

Billions of yen

	Nine months to May 2010 (Sep. 2009 - May 2010)			Three months to May 2010 (Mar. 2010 - May 2010)		
	Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Net sales (to net sales)	497.5 100.0%	432.6 100.0%	+15.0%	137.3 100.0%	136.4 100.0%	+0.7%
Gross profit (to net sales)	249.9 50.2%	210.2 48.6%	+18.9% (+1.6p)	67.0 48.8%	66.5 48.8%	+0.8% (+0.0p)
SG&A (to net sales)	132.8 26.7%	113.7 26.3%	+16.7% (+0.4p)	43.7 31.8%	38.8 28.5%	+12.5% (+3.3p)
Operating income (to net sales)	117.1 23.5%	96.4 22.3%	+21.4% (+1.2p)	23.3 17.0%	27.6 20.3%	-15.6% (-3.3p)

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Looking first at the UNIQLO Japan operation which generated a significant increase in both sales and profit in the nine months through May 2010. Net sales rose 15.0% year on year to ¥497.5bln. Operating income rose 21.4% year on year to ¥117.1bln.

For the third quarter alone (March to May 2010), UNIQLO Japan generated net sales of ¥137.3bln, a rise of 0.7% year on year. Operating income in the third quarter fell 15.6% year on year to ¥23.3bln.

During the third quarter, net sales slipped by approximately ¥8.0bln and operating income approximately ¥3.5bln below the estimates we announced on April 8, 2010.

I will explain individual factors underlying these results in turn in the following slides.

**3Q
(Mar-May) Net sales ¥137.3bln (+0.7% y/y)**

- UNIQLO direct run stores 789 stores* at end May 2010 (32 store increase y/y)
- Mar-May same-store sales -7.9% (Customer no. -3.1%, average purchase -5.0%)
 - Fall in customer numbers ⇒ Unseasonably cold weather particularly in March & April. Marketing issues
 - Fall in average purchase price ⇒ Lower-priced items such as innerwear (SARAFINE & SILKY DRY), and leggings constituted a larger proportion of total sales

y/y change	Yr to Aug. 2010					
	1H	Mar	Apr	May	3Q	Jun
Net sales	+13.1%	-16.4%	-12.4%	+3.1%	-7.9%	-5.8%
Customer no.	+11.7%	-10.7%	-7.8%	+6.9%	-3.1%	-5.2%
Avg. purchase	+1.3%	-6.4%	-5.1%	-3.5%	-5.0%	-0.7%

*Excluding 20 franchise stores

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Looking first at net sales, while same-store sales shrank 7.9% in the three months from March to May, overall net sales actually rose 0.7% as total store numbers expanded by 32 stores compared to the same period for the previous year.

The 7.9% fall in customers numbers can be broken down into a 3.1% fall in customer numbers and a 5.0% fall in average purchase price per customer. We believe that the weather, in the form of unseasonably cold temperatures, played a large part in the fall in customer numbers with relatively low temperatures continuing through March and April. The low temperatures considerably reduced actual demand for staple spring/summer cut & sew items.

In addition, our promotional campaigns during the months of March and April failed to draw customers to stores, and this also resulted in a fall in customer numbers. We recognize this marketing issue and are working swiftly to address it.

The fall in average purchase price can be explained by the fact that lower-priced items such as SARAFINE and SILKY DRY innerwear as well as leggings constituted a larger proportion of total sales.

Same store sales actually turned up 3.1% year on year in the month of May, as our UNIQLO Anniversary Campaign conducted for three days from May 28 attracted tremendous interest and encouraged customers into stores.

Subsequently, as already announced, same store sales dipped 5.8% year on year in June.

3Q Factos underpinning decline in (Mar-May) same-store sales

- **Unseasonably cool weather**
⇒ Lower temperatures in March and April
- **Marketing issues**
- **Expanded product lineup resulted in sales floors that were confusing to customers**
- **Shortages of popular items**

This slide summarizes the factors underlying the contraction in UNIQLO Japan same-store sales during the third quarter from March to May 2010.

First, seasonal factors, particularly the persistent low temperatures, reduced customer traffic.

The second factor was marketing issues particularly related to our UJ jeans campaign. We believe the issues lay in our failure to fully communicate the new value and headline-grabbing appeal of the campaign products.

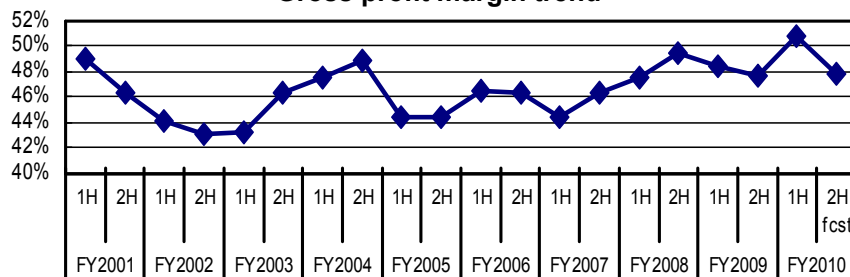
Our store displays also proved confusing so, even when customers visited our stores, the larger number of new items meant some items were not on display or were difficult to locate.

In addition, we have been pushing new product development this spring/summer season. This has resulted in some overwhelming volume shortages as popular new products flew off the shelves as soon as they arrived in stores. Therefore, we recognize that there are also some merchandising planning issues to be addressed.

3Q (Mar-May) Gross profit margin 48.8% ($\pm 0.0p$ y/y)

- Strong SARAFINE, SILKY DRY sales
- Enhanced control over discount rates

Gross profit margin trend



Gross profit margin held flat at 48.8% for the three months from March to May, in line with our estimate.

The gross profit margin was maintained during the period thanks first to consistently strong sales of the hit products SARAFINE and SILKY DRY innerwear, reducing the need for discounting.

Although net sales ended up falling below our target in the third quarter, we did not have to conduct any unreasonable discounting.

**3Q
(Mar-May)**

SG&A ratio 31.8%(+3.3p y/y)

- Overall SG&A costs on target
- SG&A ratio rose due to same-store sales falling below target
 - Personnel +1.3p
 - Advertising & promotion +1.0p
 - Store rents +0.6p
- The 3Q 2010 SG&A ratio was expected to rise approximately 2 points year on year based on the favorable results seen in the 3Q 2009 SG&A ratio.

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UNIQLO Japan's SG&A ratio rose 3.3 points year on year to 31.8% in the three months to May 2010.

Total SG&A costs came in roughly to plan. However, the 7.9% fall in same-store sales pushed up the ratio of costs due to personnel, advertising and promotion, and store rents compared to the previous year.

Another point to note is that same-store sales rose strongly and business cost efficiency improved significantly in the third quarter of last year. Based on that, we had budgeted for this year's third quarter cost ratio to rise approximately 2.0 points year on year.



【UNIQLO Intl】 Nine Months to May 2010

1Q-3Q
cumulative

Large rise in sales & profit

- **Asia: Shanghai global flagship opened in May**
Stores: 76 (Aug. 2009) ⇒ 117 (May 2010)
China & Hong Kong: Success of Shanghai West Nanjing Rd. flagship
3Q: Business continues strong with double-digit rise in same-store sales
South Korea: 3Q: Sales continue strong with business performing to plan
- **US & Europe: First store opens in Russia**
Stores: 16 (Aug. 2009) ⇒ 18 (May 2010)
US 3Q: Sales continue strong, business performs to plan
UK & France 3Q: Perform to plan with same-stores sales rising

Billions of yen

		Nine months to May 2010 (Sep. 2009 - May 2010)			Three months to May 2010 (Mar. 2010 - May 2010)		
		Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
UNIQLO International	Net sales	58.6	28.1	+108.3%	18.1	9.4	+91.0%
	Operating income	6.5	1.8	+245.4%	0.6	0.2	+118.1%
	(to net sales)	11.1%	6.7%	+4.4p	3.3%	2.9%	+0.4p

UNIQLO International achieved significant gains in both sales and profit over the nine month period from September 2009 through May 2010. Net sales nearly doubled to ¥58.6bln and operating income increased 3.5 times to ¥6.5bln.

On developments in Asia: We opened our fourth global flagship store, the Shanghai West Nanjing Road Store, on May 15.

Business continues to expand favorably in mainland China and Hong Kong thanks to the success of the Shanghai global flagship store and double-digit rise in same store sales. Sales continue to rise favorably in South Korea and the operation is proceeding to plan. We have opened 42 stores and closed one store in Asia since the end of August 2009, bringing the total number of stores in the region to 117 at the end of May 2010.

Moving onto developments in US and Europe: We opened our first store in Russia in April, with sales continuing strong after the opening.

Sales remain buoyant at our SOHO global flagship store and the US operation is performing to plan.

Business is also proceeding to plan in the UK and France where same-store sales continue to rise.



【Japan Apparel】 Nine Months to May 2010

1Q-3Q
cumulative

g.u. business performing well

- g.u. **3Q: Business performed to plan**
Large g.u. Kawasaki Dice Store opened
- Shoes **3Q: Merged with UNIQLO CO., LTD.**
Using UNIQLO business base to transform this operation into a specialty retailer of private label footwear
- CABIN **3Q: Business performed to plan**
Same-store sales continued to shrink

Billions of yen

		Nine months to May 2010 (Sep. 2009 - May 2010)			Three months to May 2010 (Mar. 2010 - May 2010)		
		Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Japan Apparel	Net sales	35.8	38.8	-7.8%	11.6	14.4	-19.5%
	Operating income	-0.5	-0.5	-	0.5	0.6	-15.6%
	(to net sales)	-	-	-	4.5%	4.3%	+0.2p

Moving on now to our Japan Apparel segment where net sales fell 7.8% year on year to ¥35.8bln in the nine-month period to May 2010 and the operating loss held flat at ¥0.5bln. These figures were in line with our estimates.

In the three months to May 2010, g.u. achieved the planned sales and profit targets. Store openings are also proceeding to plan with g.u.'s first large store, the g.u. Kawasaki Dice Store, opening in April.

As already announced, our shoes business merged with UNIQLO CO., LTD. on April 1. Going forward we will be looking to use UNIQLO's strong business base to transform UNIQLO Shoes into an efficient, specialty retailer using the SPA business model.

CABIN continues to perform as expected with same-store sales continuing to fall below the previous year's level.



【Global Brands】 Nine Months to May 2010

1Q-3Q cumulative Theory operating income outperforms

- **Theory Operating income tops target**
 - US : Strong rise in same-store sales, profitability improves
 - Japan : Same-store sales continue to rise, robust improvement in profitability as strong yen reduces costs
- **COMPTOIR DES COTONNIERS holds to plan in local currency**
Strong yen brings performance down slightly below target in yen terms
- **PRINCESSE TAM.TAM performs to plan in local currency**
Wholesale operations continue to be reduced

Billions of yen

		Nine months to May 2010 (Sep. 2009 - May 2010)			Three months to May 2010 (Mar. 2010 - May 2010)		
		Actual	Prev. yr	y/y	Actual	Prev. yr	y/y
Global Brands	Net sales	66.3	35.5	+86.6%	20.7	18.6	+11.7%
	Operating income	6.6	3.1	+108.2%	2.2	0.7	+219.1%
	(to net sales)	10.0%	9.0%	+1.0p	10.9%	3.8%	+7.1p

Our Global Brands segment generated considerable gains in both sales and profit thanks to the Theory operation, consolidated since March 2009. Global Brands produced an 86.6% rise in net sales to ¥66.3bln for the nine months to May 2010 and a 108.2% rise in operating income to ¥6.6bln.

Profitability improved at the US Theory operations with same store sales at direct-run stores rising strongly. Same-store sales continue to grow at Theory Japan as well. Profitability improved significantly at Theory Japan as that operation benefited from a stronger yen in the form of reduced procurement costs. As a result, operating income for the Theory operation overall outperformed our estimate.

Same-store sales continue to rise at France-based fashion brand COMPTOIR DES COTONNIERS with business there performing to plan in local currency terms. However, weakness in the euro impacted the business from the third quarter, knocking both sales and profit performance slightly below our forecast in yen terms.

France-based lingerie brand PRINCESSE TAM.TAM performed to plan in local currency terms. We continue to aim to boost management efficiency by reducing the scale of the wholesale business.

【Group】 Balance Sheet at End May 2010

Billions of yen

	End Aug. 2009	End May 2010	Change
Total Assets	463.2	509.9	+46.6
Current Assets	298.1	344.4	+46.2
Fixed Assets	165.1	165.4	+0.3
Liabilities	201.8	194.9	-6.8
Net Assets	261.4	314.9	+53.5

Next, I would like to take you through our balance sheet as it stood at the end of May 2010.

Compared to the end of August 2009, current assets increased by ¥46.2bln and fixed assets increased by ¥0.3bln generating an increase of ¥46.6bln in total assets to ¥509.9bln.

Increase in cash & equivalents, marketable securities

+¥38.1bln (¥169.7bln ⇒ ¥207.9bln)

【UNIQLO Japan】 Increased operating cash flow

Reduction in inventory assets -¥2.8bln (¥74.5bln ⇒ ¥71.6bln)

【UNIQLO Japan】 Balance at end May ¥50.0bln (+¥8.4bln y/y)

More and larger stores approx. +¥3.0bln y/y

Higher spring garment inventory approx. +¥5.0bln y/y

Increase in tangible assets +¥6.9bln (¥45.9bln ⇒ ¥52.9bln)

【UNIQLO Japan】 +¥5.9bln

Taking current assets first, cash, cash equivalents and marketable securities at the end of May 2010 had increased by ¥38.1bln versus the end of August to ¥207.9bln. This rise was due mainly to an increase in operating cash flow from UNIQLO Japan.

Total inventory assets stood at ¥71.6bln, a decrease of ¥2.8bln compared to the end of August 2009.

Inventory assets at UNIQLO Japan stood at ¥50.0bln at the end of May 2010, an increase of ¥8.4bln over the same period of the previous year.

Approximately ¥3.0bln of this amount was due to the larger number of UNIQLO Japan stores, and also the increased number of large-format stores. The remaining approximately ¥5.0bln was due to a buildup of spring garment inventory.

Tangible assets rose ¥6.9bln versus the end of August 2009. The majority of that gain, ¥5.9bln, can be attributed to new store openings at UNIQLO Japan.



【Group】 Forecast - Year to August 2010

Full Yr to Aug. 2010 **Net sales** ¥815.0bln (+19.0% y/y)
Operating income ¥133.0bln (+22.4% y/y)

Billions of yen

	Yr to Aug. 2009 Actual	Yr to Aug. 2010		Yr to Aug. 2010		
		Latest est. (Apr. 8)	y/y	Revised. est. (Jul. 8)	y/y	v. latest est.
Net sales (to net sales)	685.0 100.0%	834.0 100.0%	+21.7%	815.0 100.0%	+19.0%	-2.3%
Gross profit (to net sales)	341.5 49.9%	428.5 51.4%	+25.5% (+1.5p)	420.0 51.5%	+23.0% (+1.6p)	-2.0% (+0.1p)
SG&A (to net sales)	232.8 34.0%	288.0 34.5%	+23.7% (+0.5p)	287.0 35.2%	+23.2% (+1.2p)	-0.3% (+0.7p)
Operating income (to net sales)	108.6 15.9%	140.5 16.8%	+29.3% (+0.9p)	133.0 16.3%	+22.4% (+0.4p)	-5.3% (-0.5p)
Ordinary income (to net sales)	101.3 14.8%	134.5 16.1%	+32.8% (+1.3p)	127.0 15.6%	+25.4% (+0.8p)	-5.6% (-0.5p)
Net income (to net sales)	49.7 7.3%	71.0 8.5%	+42.6% (+1.2p)	67.5 8.3%	+35.6% (+1.0p)	-4.9% (-0.2p)

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I would now like to turn to our consolidated business estimates for the full year through August 2010.

We estimate rises in both sales and profit for the full business year with consolidated net sales rising 19.0% year on year to ¥815.0bln, and operating income rising 22.4% to ¥133.0bln.

However, we have made some downward revisions to our business estimates announced April 8. We have reduced the consolidated net sales estimate by ¥19.0bln and operating income by ¥7.5bln.



【UNIQLO Japan】 Forecast Year to Aug. 2010

Full Yr to Aug. 2010
Net sales ¥608.0bln (+13.0% y/y)
Operating income ¥130.0bln (+17.4% y/y)

Billions of yen

	Yr to Aug. 2009 Actual	Yr to Aug. 2010		Yr to Aug. 2010		
		Latest est. (Apr. 8)	y/y	Revised est. (Jul. 8)	y/y	v. latest est.
Net sales	538.1	624.0	+15.9%	608.0	+13.0%	-2.6%
(to net sales)	100.0%	100.0%		100.0%		
Gross profit	259.0	309.5	+19.5%	301.5	+16.4%	-2.6%
(to net sales)	48.1%	49.6%	(+1.5p)	49.6%	(+1.5p)	(-0.0p)
SG&A	148.2	172.0	+16.0%	171.5	+15.7%	-0.3%
(to net sales)	27.6%	27.6%	(+0.0p)	28.2%	(+0.6p)	(+0.6p)
Operating income	110.7	137.5	+24.1%	130.0	+17.4%	-5.5%
(to net sales)	20.6%	22.0%	(+1.4p)	21.4%	(+0.8p)	(-0.6p)

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We are predicting a rise in both sales and profit for UNIQLO Japan operation for the full year through the end of August 2010.

We estimate that overall net sales will rise 13.0% year on year to ¥608.0bln, and operating income will rise 17.4% year on year to ¥130.0bln.

This does, however, represent a downward revision to our latest business forecast announced April 8 to the tune of ¥16.0bln for net sales and ¥7.5bln for operating income.

	Yr to Aug. 2009	Yr to Aug. 2010		
	Actual	Latest est. (Apr. 8)	Revised est. (Jul. 8)	y/y
Net sales	538.1 ¥bln	624.0 ¥bln	608.0 ¥bln	+13.0%
Same-store sales growth (Full year)	+11.3%	+7.2%	+4.4%	-6.9p
1H (Actual)	+12.9%	+13.1%	+13.1%	+0.2p
2H (Estimate)	+9.3%	+0.0%	-6.3%	-15.6p
Store increase (Full year)	10 stores	39 stores	38 stores	+28 stores
1H (Actual)	6 stores	21 stores	21 stores	+15 stores
2H (Estimate)	4 stores	18 stores	17 stores	+13 stores
Gross profit margin (Full year)	48.1%	49.6%	49.6%	+1.5p
1H (Actual)	48.5%	50.8%	50.8%	+2.3p
2H (Estimate)	47.7%	48.0%	47.8%	+0.1p
SG&A ratio (Full year)	27.6%	27.6%	28.2%	+0.6p
1H (Actual)	25.3%	24.7%	24.7%	-0.6p
2H (Estimate)	30.3%	31.4%	33.3%	+3.0p

This slide shows you the assumptions underlying our business estimates for UNIQLO Japan.

Our estimate for same-store sales in the second half (March to August 2010) stands at minus 6.3%. That assumption is based on actual data from March through June showing a decline in sales of 7.4%.

Second half gross profit margin is estimated at 47.8%.

Following the revisions made to our net sales estimate, we now estimate the SG&A ratio in the second half through August will come in at 33.3%.

【UNIQLO Intl】 Year to Aug. 2010 Revised Forecast

National operations continue to perform well

- **US** : Revising estimate for operating income owing to rent payments for property on Fifth Avenue, New York
- **UK & France**: Revising downward yen-based estimates following volatility in exchange rates

Billions of yen

		Yr to Aug. 2009	Yr to Aug. 2010		Yr to Aug. 2010		
		Actual	Latest est. (Apr. 8)	y/y	Revised est. (Jul. 8)	y/y	v. latest est.
UNIQLO International	Net sales	37.7	74.0	+95.8%	73.0	+93.2%	-1.4%
	Operating income	16.0	7.5	+363.0%	6.5	+301.2%	-13.3%
	(to net sales)	4.3%	10.1%	+5.8p	8.9%	+4.6p	-1.2p

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We predict UNIQLO International operation will generate a 93.2% increase in net sales for the full year to August to ¥73.0bln, and we expect operating income for the same period to quadruple to ¥6.5bln. We have revised downward our latest business estimates, announced April 8, for sales and operating income to the tune of ¥1.0 billion, respectively.

Operations in every nation in where we have businesses are performing well and in line with our forecasts.

However, we have made a downward revision to our operating income estimate for the US UNIQLO operation, due to rent payments associated with the signing of the lease contract in May for our property on Fifth Avenue, New York.

Owing to the sudden volatility in foreign exchange rates, we have revised down our estimates for the UK and French operations in yen terms.

【Global Brands】 Year to Aug. 2010 Revised Forecast

Theory operating profit estimate revised up CDC, PTT revisions due to weaker euro

- Theory operating income estimate revised upward
 - US : same-store sales continue strong, profits expand
 - Japan : strong yen cuts procurements costs, boosts profitability
- COMPTOIR DES COTONNIERS, PRINCESSE TAM.TAM
yen-based estimates revised downward on euro weakness

Billions of yen

		Yr to Aug. 2009	Yr to Aug. 2010		Yr to Aug. 2010		
		Actual	Latest est. (Apr. 8)	y/y	Revised est. (Jul. 8)	y/y	v. latest est.
Global Brands	Net sales	55.5	86.0	+54.7%	84.0	+51.1%	-2.3%
	Operating income	3.6	5.5	+50.0%	6.5	+77.3%	+18.2%
	(to net sales)	6.6%	6.4%	-0.2p	7.7%	+1.1p	+1.3p

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We estimate overall net sales from our Global Brands segment for the full year will rise 51.1% to ¥84.0bln, and operating income will increase 77.3% to ¥6.5bln. This incorporates a downward revision of ¥2.0bln to our April 8 estimate for Global Brands net sales, and an upward revision of ¥1.0bln or operating income.

Same-store sales at direct-run Theory brand stores in the US continue strong and profits continue to expand.

The Theory operation in Japan has also seen its profitability expand significantly as it reaps the benefit of a stronger yen in the form of reduced procurement costs. This has led us to revise upward our full-year estimate for operating income from the Theory operation.

COMPTOIR DES COTONNIERS and PRINCESSE TAM.TAM continue to perform to plan, but weakness in the euro has led us to revise our business estimates in yen terms.



Year to Aug. 2010 Forecast by Group Operation

Revisions to full-year estimates announced April 8

(¥ billion)	Net Sales	OP
UNIQLO Japan	▲ 16.0	▲ 7.5
UNIQLO International	▲ 1.0	▲ 1.0
Japan Apparel	unchanged	
Global Brands	▲ 2.0	+ 1.0

Billions of yen

		Yr to Aug. 2009	Yr to Aug. 2010		Yr to Aug. 2010		
		Actual	Latest est. (Apr. 8)	y/y	Revised est. (Jul. 8)	y/y	v. latest est.
UNIQLO Japan	Net sales	538.1	624.0	+15.9%	608.0	+13.0%	-2.6%
	Operating income (to net sales)	110.7 20.6%	137.5 22.0%	+24.1% +1.4p	130.0 21.4%	+17.4% +0.8p	-5.5% -0.6p
UNIQLO International	Net sales	37.7	74.0	+95.8%	73.0	+93.2%	-1.4%
	Operating income (to net sales)	1.6 4.3%	7.5 10.1%	+363.0% +5.8p	6.5 8.9%	+301.2% +4.6p	-13.3% -1.2p
Japan Apparel	Net sales	51.5	47.0	-8.8%	47.0	-8.8%	+0.0%
	Operating income (to net sales)	-0.5 -	-0.7 -	-	-0.7 -	-	-
Global Brands	Net sales	55.5	86.0	+54.7%	84.0	+51.1%	-2.3%
	Operating income (to net sales)	3.6 6.6%	5.5 6.4%	+50.0% -0.2p	6.5 7.7%	+77.3% +1.1p	+18.2% +1.3p

This slide displays our estimates for full-year net sales and operating income by group operation.

Before closing, I would like to touch upon our dividend policy. We estimate a full-year dividend of 230 yen per share for the year through the end of August 2010, with 115 yen as an interim dividend and the remaining 115 yen paid as a year-end dividend. This dividend estimate remains unchanged from the April 8 announcement.

And, finally, I leave you with these images of the May opening of our global flagship store in Shanghai.



【UNIQLO Intl】 Shanghai Global Flagship

UNIQLO's largest store in the world opens on Shanghai's most prominent commercial street, West Nanjing Road



Photo: Exterior of the Shanghai West Nanjing Road Store

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We enjoyed another roaring success with the May 15 opening of UNIQLO's fourth and biggest ever global flagship store, the Shanghai West Nanjing Road Store. The store is located on Shanghai's most prominent commercial street, West Nanjing Road.



【UNIQLO Intl】 Shanghai Global Flagship

Store name : Shanghai West Nanjing Road Store
Location : West Nanjing Road directly above the West Nanjing Road subway station
Sales floor : Three stories totaling 3,300 sqm
Opened : Saturday, May 15, 2010



Photo: Shanghai West Nanjing Road Store entrance area 23

West Nanjing Road is a prominent commercial district similar to Japan's Ginza district.

The Shanghai global flagship store stands out on a prime corner plot of the West Nanjing Road, right above the West Nanjing Road subway station. The 3,300-square-meter shop floor is UNIQLO's biggest yet, spanning three levels.



[UNIQLO Intl] Shanghai Global Flagship

Phenomenally successful launch with 1,000 customers waiting for the doors to open on May 15



Photo: A throng of customers outside the Shanghai West Nanjing Road Store immediately following its launch.

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The opening day was a great success with interest far outstripping our expectations as a queue of over 1,000 customers awaited the opening of the store on Saturday, May 15.

Launch was such a success that entry restrictions had to be imposed on the opening day



Photo: The Shanghai West Nanjing Road Store is buzzing with customers

This picture shows the store's interior on opening day. As you can see, the store was buzzing and we had to apply entry restrictions.

Advertising in the West Nanjing Road Station

Photo: West Nanjing Road Station platform

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I'd like to show you some of the marketing we conducted in conjunction with the opening of the Shanghai global flagship store.

This shows our advertising on the subway platform of the West Nanjing Road Station, located directly underneath the store.

For the first time in eight years we also aired our first TV commercial in China timed to coincide with the global flagship opening.

Our advertising campaign featured six local celebrities including singers, dancers, a supermodel and a ballerina. We believe the campaign has successfully helped heighten awareness of the UNIQLO brand, and also boost local affinity for the UNIQLO brand.

Thank you.



<Reference>

Forex, Capex, Depreciation, Goodwill Amortization**Applicable exchange rate**

Yen

		1USD	1EUR	1GBP	1RMB	100KRW
Yr to Aug. 2010	Nine-month average to May 2010	90.9	126.3	142.5	13.4	7.8
Yr to Aug. 2009	Nine-month average to May 2009	96.5	128.9	148.0	14.5	7.2
Yr to Aug. 2010	Exchange rate 4Q (Estimate)	90.0	110.0	130.0	13.0	7.5
Yr to Aug. 2009	Exchange rate 4Q (Actual)	90.0	130.0	140.0	13.0	7.5

Capital expenditure, depreciation, goodwill amortization

Billions of yen

		Capital spending	Depreciation	Goodwill amortization
Yr to Aug. 2010	Nine months to May 2010	19.9	8.7	5.6
Yr to Aug. 2009	Nine months to May 2009	14.0	6.9	4.3
Yr to Aug. 2010	Full year (Estimate)	29.0	11.0	7.5
Yr to Aug. 2009	Full year (Actual)	22.6	9.7	6.4

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Store Plans by Group Company

[Units: Stores]	Yr to Aug. 2009 Actual Yr end	Yr to Aug. 2010							
		Nine months to May 2010				Full year forecast			
		Open	Close	Change	End May	Open	Close	Change	End Aug.
UNIQLO Operations	862	119	37	+82	944	125	39	+86	948
UNIQLO Japan	770	75	36	+39	809	76	38	+38	808
Own stores	750	75	36	+39	789	75	37	+38	788
Large-format	71	31	0	+31	102	31	0	+31	102
Standard-format	679	44	36	+8	687	44	37	+7	686
FC	20	0	0	0	20	1	1	0	20
UNIQLO International	92	44	1	+43	135	49	1	+48	140
China:	33	21	1	+20	53	23	1	+22	55
Hong Kong:	11	2	0	+2	13	2	0	+2	13
Korea:	30	18	0	+18	48	21	0	+21	51
Singapore:	2	1	0	+1	3	1	0	+1	3
UK:	14	0	0	0	14	0	0	0	14
USA:	1	0	0	0	1	0	0	0	1
France:	1	1	0	+1	2	1	0	+1	2
Russia:	-	1	0	1	1	1	0	+1	1
Shoes *	279	0	189	-189	90	0	189	-189	90
G.U. *	72	47	1	+46	118	47	4	+43	115
CABIN *	205	15	22	-7	198	15	23	-8	197
THEORY *	306	35	12	+23	329	40	24	+16	322
COMPTOIR DES COTONNIERS *	368	15	12	+3	371	29	16	+13	381
PRINCESSE TAM.TAM *	166	2	1	+1	167	2	13	-11	155
Total	2,258	233	274	-41	2,217	258	308	-50	2,208

*Including franchise stores